Institutional Entrepreneurship in The Creative Industry in an Emerging Market:  
A Study of the Fashion Sector in Bandung, Indonesia

Being a Thesis submitted for the Degree of  
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by

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Abstract

By spotlighting the creative fashion industry in an Indonesian city, Bandung, this study explores the underdeveloped institutional environment faced by the fashion industry actors, strategies taken by the fashion industry actors to deal with the underdeveloped institutional environment, the actors who play the roles of institutional entrepreneurs, and the nature of institutional work carried out by these institutional entrepreneurs. This exploratory research relies on a multiple case study approach by conducting in-depth interviews and documentary analysis. It is demonstrated in this study that Bandung’s fashion industry originated from communities’ creativity in showing their own identities through fashion. Fashion products based on the spirit of independence became a trend over time, along with the process of fashion brand creation by micro and small-scale enterprises, which acted as an inspiration for many youth communities to undergo a similar process. Some of these fashion brand creators also established an informal association that helped the fashion industry actors to deal with problematic institutional conditions. Furthermore, to make a greater impact on the city level, a forum that consisted of 50 communities initiated a creative economy development. It is argued in this study that this initiative spanned an institutional void related to creative economy development in Bandung. This study offers a contextualized understanding of how the fashion industry actors in Bandung, Indonesia, coped with the underdeveloped institutional environment. They were conducting practices that spanned institutional voids and resulted in new arrangements. This study develops an explanatory framework of institutional entrepreneurship in the fashion industry in an emerging market economy, hence it advances the study of institutional entrepreneurship and institutional work in the context of emerging markets.

Keywords: institutional entrepreneurship, emerging markets, creative industries, fashion industry
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Dedication

This thesis is dedicated to:

My parents, for their nonstop prayer.

The lady to whom I am most grateful, my lovely wife, Riri.

My gorgeous children, Priya, Dyara, and Suri.

My country, Indonesia
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<td>BCCF</td>
<td>Bandung Creative City Forum</td>
</tr>
<tr>
<td>Bekraf</td>
<td>Badan Ekonomi Kreatif (Indonesian Agency for Creative Economy)</td>
</tr>
<tr>
<td>DCMS</td>
<td>Department for Digital, Culture, Media and Sport</td>
</tr>
<tr>
<td>FTSE</td>
<td>Financial Times Stock Exchange</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>KICK</td>
<td>Creative Independent Clothing Community</td>
</tr>
<tr>
<td>MSCI</td>
<td>Morgan Stanley Capital International</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>Standard &amp; Poor's</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organisation</td>
</tr>
<tr>
<td>WEF</td>
<td>World Economic Forum</td>
</tr>
<tr>
<td>WIPO</td>
<td>World Intellectual Property Organisation</td>
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CHAPTER 1. INTRODUCTION

This chapter presents the background and research problem, research aim and objectives, research questions, the scope of the study, the country background, the contribution of the study, and ends with an outline of the thesis structure. The background and research problem section contains an explanation of the situation leading up to the study and the problem that gives rise to the need for the study. The section sets out the aim and objectives and explains the goal of this study and the specific tasks to be achieved to accomplish the goal set. The research questions section explains what is sought from this study. This is followed by the country background section, which describes the general situation of Indonesia, the study context, and the economic conditions relevant to this research topic. An explanation is given by the practical and theoretical contributions of this study in the next section. The closing section of this chapter details the structure of this thesis.

1.1 Background and Research Problem

This research explores how creative industries actors cope with an underdeveloped institutional environment in an emerging market. Creative industries are growing rapidly nowadays, in both developed and emerging economies. These industries originate in the cultural industries, referred to for the first time by Theodor Adorno in 1947. The appearance of creative industries marked the end of the mass production era and a resurgence of cultural consumption, which foregrounded small businesses, networks, risk-taking, creativity and constant innovation (Connor, 2007). According to Pratt (2008), the consolidation of the concept of cultural and creative industries by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and the United Nations Conference on Trade and Development (UNCTAD) brought the term ‘creative industries’ into general use. The concepts of cultural industries and creative industries were also merged by the UK government’s revision of its definition in the early 2000s. Previously,
interest in the cultural industries emerged due to their massive growth in the 1983–2008 period. The term ‘creative industries’ emerged in 1994 when the ‘Creative Nation’ report was launched in Australia (United Nations, 2008). The term ‘creative industries’ was also found in a UK government document published in 1997 and continued with the Creative Industries Mapping declaration. Creative industries were defined by the UK Department for Digital, Culture, Media and Sport (DCMS)\(^1\) as “those industries which have their origin in individual creativity, skill, and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property” (DCMS, 2001:5). The mapping produced by UK DCMS in 1998 measured the economic impact of creative industries on the UK economy (Flew, 2011:9). The creative economy – of which creative industries are the engine – has grown so impressively and has spread rapidly (Landry, 2005). The global creative industries’ trade increased by more than 200 per cent in the nine years between 2002 to 2011 (United Nations, 2013).

Meanwhile, in Indonesia as an emerging market, the growth of the creative economy in 2013 was recorded at 5.76 per cent and it was higher than the national economic growth (Ministry of Tourism and Creative Economy, 2014). This growth is dominated by small and medium enterprises (Wiryono et al., 2014; Ministry Coordinator for the Economy, 2015) and even micro-enterprises (Indonesian Agency for Creative Economy, 2017a). Although creative industries’ contribution to Gross Domestic Product (GDP) and workforce absorption increased only slightly from 2013 to 2014 (Ministry Coordinator for the Economy, 2015), there was a dramatic increase of the export global ranking from 85\(^{th}\) position in 2013 to 25\(^{th}\) position in 2014 (Desain Grafis Indonesia, 2015). Creative economy exports increased by 6.6 per cent from 2014 to 2015, while exports from the non-oil and gas sector decreased by 9.71 per cent. The creative economy is included in

\(^1\) Previously Department of Culture, Music and Sports. The name was changed on 3 July 2017 (DCMS, 2017)
the non-oil and gas sector category in the national export balance; hence, the exports of the creative economy were opposite in trend to the export value of its group overall. In 2015, the creative economy contributed IDR 852 trillion to the national GDP or 7.38 per cent of the total for all sectors, absorbed 15.9 million workers, or 13.9 per cent of total workers, and accounted for USD 19.4 billion of exports or 12.88 per cent of total exports (Indonesian Agency for Creative Economy, 2017a). According to the Indonesian government, the main actors of the creative economy development model in Indonesia were academics, business, and government in what was called the triple helix system (Ministry of Trade, 2008). This helix concept is currently developed into a quadruple helix by adding communities as the fourth helix, and the driver of the creative economy development model in Indonesia is now the quadruple helix system (Ministry of Tourism and Creative Economy, 2014). The quadruple helix idea was suggested by Carayannis and Campbell (2009), who added the ‘media-based and culture-based public’ as the fourth helix to the ‘Triple Helix’ model of knowledge infrastructure developed by Leydesdorff and Etzkowitz (1996). The fourth helix is associated with ‘media’, ‘creative industries’, ‘culture’, ‘values’, ‘lifestyles’, ‘art’, and perhaps also the notion of the ‘creative class’ (Carayannis & Campbell, 2009). The fourth element is an independent, not-for-profit and member-based organisation which could combine funding from the government and the private sector. It creates links between triple helix entities (Liljemark, 2004; Lindberg et al., 2014). The term communities for the fourth element is widely used by Liljemark, while Lindberg et al. used Non-Governmental Organizations (NGOs) as the fourth element. This fourth element’s organisations act as brokers and networkers between the triple helix organisations (Füzi, 2013).

A city in Indonesia which is particularly known for its creative industries development is Bandung. Bandung was designated as a pilot project for the creative city in East Asia by the British Council (Fahmi, 2014b) and received GBP 6 million from the UK government
as assistance (Pikiran Rakyat, 2007) even before the creative economy policy was set by the Indonesian president. Bandung was also proposed to become a member of the World’s Creative Cities Network (Ministry of Tourism and Creative Economy, 2013) and was finally accepted by UNESCO on 11 December 2015 (UNESCO, 2015). This was not surprising since almost 40 per cent of Bandung’s economic activities originate from creative industries (Global Indonesian Voices, 2015). Creative industries exhibit good progress in Bandung. An important aspect that contributes to this pleasing progress is the parties’ comprehensive understanding of creative industries. They believe that creative industries are based on knowledge and not only derived from traditional culture.

Referring to the data on creative industries in Indonesia, out of the 14 sectors, fashion was the leading contributor to GDP for export (Lidia et al., 2012; Suzianti et al., 2014). The creative fashion sector consists of activities in designing and producing clothes, footwear, and accessories, including fashion products-related consultation and distribution (Simatupang et al., 2012). In 2011, fashion was recorded as the biggest contributor to employment and the number of businesses (Simarmata et al., 2011). Fashion is also mentioned as the major sector of Indonesia’s creative industries (British Council, 2012; Darwis, 2013). The Indonesian Ministry Coordinator for the Economy (2015) noted fashion as the sector with the highest growth rate and the biggest contribution to GDP in 2014. The export contribution of the fashion sector was 56 per cent of the total USD 19.4 billion of creative economy exports in 2015, while crafts accounted for 37 per cent and the culinary sector for 6 per cent. However, fashion’s contribution to GDP was only 18.15 per cent and ranked second below the culinary sector, which contributed 41.69 per cent. Although the fashion sector in 2016 ranked second in the number of business units, below the culinary and above the craft sector, with a 15 per cent proportion of 8 million business units (Statistics Indonesia, 2017), its export contribution was the highest among all creative industry sectors (Indonesian Agency for
Creative Economy, 2017a). By observing the development of the creative industries in some major cities in Indonesia, Bandung was found to be famous for its fashion industry (Simatupang, 2007; Pratiwi & Damajani, 2008; Irawati, 2011; Setiadi et al., 2012; Suwarni, 2012; Aritenang, 2013; Bandung City Government, 2014; Ministry of Tourism and Creative Economy, 2014; Tanzil, 2014; Cohen, 2015; Global Indonesian Voices, 2015). In the light of these data, this study focuses on the fashion industry in Bandung, Indonesia.

The Bandung City Government published the first document mentioning the creative city in the Regional Medium Term Development Plan 2008–2013 (Fitriyana & Sofhani, 2012) while the central government conducted a creative industries mapping in 2007 and planned the Indonesian creative economy development for 2009–2015 in 2008 (Ministry of Trade, 2008). These two government publications discussed the creative economy in 2008, whereas the creative economy had been growing since 1998 in Bandung (Setiadi et al., 2012; Maryunani & Mirzanti, 2014). Thus, there was a gap of a decade between the action taken by the regional fashion actors and the creative economy-related policy set by the government in Indonesia. Ever since the creative economy, particularly the fashion sector, became popular in the late 1990s, local and international parties had been acknowledging Bandung for its fashion sector. This recognition has also been reflected in academic studies (Simatupang, 2007; Pratiwi & Damajani, 2008; Irawati, 2011; Setiadi et al., 2012; Aritenang, 2013; Fahmi, 2014a; Cohen, 2015). Therefore, it can be summarised that the growth of Bandung’s fashion industry happened at a time when an underdeveloped institutional environment was still being experienced by fashion industry actors and such conditions continue, even up until the present. This phenomenon raises curiosity about the actions taken by the actors to cope with the limitations of the institutional environment.
In brief, the Regional Medium-Term Development Plan of Bandung City urges the development of the creative economy to support Bandung as a creative city as one of its targets. There are four missions in this plan, and the fourth mission is ‘Building a strong, advanced, and fair economy’ (Bandung City Government, 2014). Creative economy development is an outcome of the fourth mission. In detail, the strategies, policy directions, and programmes set to achieve this target can be seen in Table 1.1 below.

Table 1.1
Creative Economy-Related Strategies, Policy Directions, and Programmes in Bandung City Medium-Term Development Plan 2013-2018

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Policy Direction</th>
<th>Programme</th>
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<tr>
<td>Creative city parameter achieved. It consists of policy, infrastructure, legal aspect, Intellectual Property Rights and creative ethics, support system, creative economy capacity and contribution.</td>
<td>Creating adequate physical and social infrastructure for creative economy development</td>
<td>Creative City Infrastructure Development Programme</td>
</tr>
<tr>
<td>Facilitating creative community activities regarding activation of the creative economy sectors</td>
<td>Creative economy and Technopolis development programme</td>
<td></td>
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<tr>
<td>Developing a regional innovation system by strengthening the quadruple helix to support the achievement of Bandung creative city</td>
<td>Research and Development programme</td>
<td></td>
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<tr>
<td>Creating a creative support system through education and creative community empowerment</td>
<td>Youth participation programme</td>
<td></td>
</tr>
<tr>
<td>Increase the role of small medium industries, potential and creative industry centres with environmental insight.</td>
<td>Increasing the number of community and cluster of creative-based small medium industry and creative business people</td>
<td>Creative economy and Technopolis development programme</td>
</tr>
</tbody>
</table>

Source: Bandung City Government (2014)

The Bandung City Government also set priority programmes and allocated their funding for 2014-2018, which can be seen in Table 1.2 below.
Table 1.2
Creative Economy-Related Priority Programme in Bandung City Medium-Term Development Plan 2013-2018

<table>
<thead>
<tr>
<th>Work Unit/Programme</th>
<th>Outcome</th>
<th>Target</th>
<th>Budget (IDR)</th>
</tr>
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<tr>
<td>Education Office (Secondary education programme)</td>
<td>Increase entrepreneurship education based on the creative industry</td>
<td>82% in 2015</td>
<td>-</td>
</tr>
<tr>
<td>Economy Office (Creative economy and Technopolis development programme)</td>
<td>Number of activities of creative economy development</td>
<td>45 activities</td>
<td>2,440,757,930</td>
</tr>
<tr>
<td>Cooperative, SME, Industry and Trade Office</td>
<td>Number of promotions of Bandung’s Creative City. The realisation is in the form of books, website, and multimedia.</td>
<td>13 times</td>
<td>2,338,340,750</td>
</tr>
<tr>
<td>Centres of potential industry development programme</td>
<td>Number of fostered creative industry actors</td>
<td>1,065 business people</td>
<td>7,282,785,020</td>
</tr>
<tr>
<td>Creative economy and Technopolis development programme</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


According to Marquis and Raynard (2015), rapid industrialisation, economic liberalisation, and increased integration into the global economy are the characteristics of emerging market economies. In their study, Indonesia is considered as an emerging market according to the list published by the International Monetary Fund (IMF), Financial Times Stock Exchange (FTSE), Morgan Stanley Capital International (MSCI), Standard & Poor's (S&P), Dow Jones, and Russell. In addition, emerging markets are typically characterised by weak institutional arrangements and often resource-constrained environments, in contrast to developed countries, which are characterised by dominant and strong institutional logics and structures (Yavuz et al., 2014). Since a high level of uncertainty and a low level of institutionalization occur in creative industries, as an emerging sector, in emerging markets, this condition brings several opportunities for institutional entrepreneurs to exploit uncertainties (Tracey & Phillips, 2011) and a low level of institutionalization (Smallbone & Welter, 2008). Thus, the entrepreneurial
reaction (Dempster, 2008) answers the creative industries’ uncertainty (De Vany, 2004; Dempster, 2008; Pratt, 2008; Peltoniemi, 2015). It has, therefore, been suggested that it would be of interest to observe the institutional context in entrepreneurship research (Zahra & Wright, 2011).

Creative industries development differs depending on the region (Moss, 2005; Prince, 2010; García-Tabuenca et al., 2011; Fahmi, 2014a; Rozentale, 2014). Cohen (2015) and Aritenang (2013) found that the implementation of creative industries policy in different areas, such as emerging markets, should be modified first from the original policy to suit the locality. This can be related to Wright et al. (2005), who discovered the scarcity of institutional research on local start-ups in emerging economies. It is believed that commercialisation and institutionalization in creative industries occur in parallel in emerging markets. Institutional entrepreneurs consider institutional work as their key role (DiMaggio, 1988; Maguire et al., 2004; Dorado, 2005) and the institutional structure consists of formal and informal institutions. From the perspective of institutional work, interest in the role of agency within institutional theory, with the change of practice, became the conceptual foundation for the emerging study (Lawrence & Suddaby, 2006).

Since there are differences in the contexts of emerging markets, the investigation of institutionalization in emerging markets and the roles of entrepreneurs in institutionalization is needed (Tracey & Phillips, 2011). Mair and Marti (2009) and Fahmi (2014a) also found that the opportunity creation and recognition process by institutional entrepreneurs is still little known. Furthermore, this study also responds to Jennings et al. (2013), who suggested a need for much more practice-oriented and contextual work on the entrepreneurial process. Li et al. (2006) pointed out that institutional entrepreneurs are those actors who construct market institutions in their business activities. “Institutional entrepreneurs can be individuals, small or large firms, governmental, or not-
for-profit organisations” (Tracey & Phillips, 2011:29), especially in professions, networks, associations, and social movements (Hardy & Maguire, 2008).

Moreover, there are few fashion industry management studies in Indonesia, particularly those related to institutions. Existing fashion industry studies have focused on the association with Indonesia’s political era (Boehlke, 2008), fashion industry growth factors (Arfan, 2012), fashion company’s employee satisfaction (Christine et al., 2015), marketing aspects of the fashion industry (Fransiska et al., 2012; Anggraeni & Rachmanita, 2015; Anggreany et al., 2015; Hamali, 2015; Setiowati et al., 2015), supply chain studies (Simatupang et al., 2004; Lidia et al., 2012), knowledge management (Suzianti et al., 2014) and information technology implementation (Hendriana et al., 2015). Several studies were also conducted by Jones (2007, 2010), Agustina (2015) and Beta (2014), who captured the phenomenon of Indonesian women’s Islamic dress. In addition, research projects in the fashion industry were dominated by surveys and experimentation as the primary research strategies, and consumer behaviour and retail/production/trade were the most reported topics of research, as Johnson et al. (2015) found by analysing 963 articles in three scholarly journals between 1996 and 2013. In contrast, Jennings et al. (2013) suggested a need for qualitative analysis in studying institutions and entrepreneurs.

To summarise, it can be seen that creative industries are progressing globally, including in Indonesia as an emerging economy. Bandung as a creative city in Indonesia also shows the good progress of creative industries. One of the important creative industries’ sectors is fashion. However, creative industries in emerging markets still face an underdeveloped institutional environment, as reflected in the lack of creative economy policies. This condition raises questions about the action taken by the fashion industry actors to cope with Indonesia’s institutional environment. At the same time, previous studies have indicated the need to study institutional entrepreneurship in emerging markets. Extant
research on the fashion industry is limited both in the methods used and the topics analysed. Based on the actual conditions in the field and the current situation of research regarding institutional entrepreneurship and the fashion industry, a study of institutional entrepreneurship in the fashion industry in Bandung, Indonesia, as an emerging market, would be beneficial to enrich knowledge in this area. Therefore, this study explores the underdeveloped institutional environment faced by the fashion industry actors, how these actors coped with the underdeveloped institutional environment in an emerging market, who the institutional entrepreneurs are, and the nature of the institutional work carried out by institutional entrepreneurs in the fashion industry in Bandung, Indonesia.

1.2 Research Aim and Objectives

Based on the literature reviewed, creative industries as an emerging field need entrepreneurial actions to handle low levels of institutionalization. It is also discovered that the dynamics in emerging markets face an underdeveloped institutional environment. Hence, the role of institutional entrepreneurs is needed to cope with the institutional environment faced by the creative industries in emerging markets. In addition, only one study, Liu’s (2001) study, analysed the creative industries from the institutional entrepreneurship perspective within the context of emerging markets. This situation opens the opportunity for the researcher to conduct a study with the theme of institutional entrepreneurship in creative industries in emerging markets. Furthermore, the institutional environment and the actions to handle it have been well-researched. Therefore, examining the actions to cope with an underdeveloped institutional environment in a different field, namely, the fashion sector in the context of an emerging market, enriches the research area of institutional entrepreneurship.²

From the context of the field of study, the significant contribution of the fashion industry in Indonesia provides a wide arena for conducting research that advances creative

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² A more detailed discussion is presented in Chapter 2, page 56-62.
economy development. Moreover, the creative economy and its sub-sectors are expected to make more contribution to the national economy to avoid dependency on natural resources-based sectors. The development of the creative economy, including the fashion sector, whereby there was no creative economy policy available in its early period, is a significant phenomenon to be explored.

To summarise, based on the prior explanation of the context of Indonesia, this research aims to develop an explanatory framework of institutional entrepreneurship in the fashion industry in Bandung, Indonesia. It is expected that this framework will inspire the analysis of the fashion industry development in other areas in emerging markets that have similar characteristics to Bandung, Indonesia.

To achieve the research aim stated earlier, the objectives of this research are:

1. To explore the underdeveloped institutional environment of the fashion industry in Bandung, Indonesia.
2. To examine the strategies taken by the fashion industry actors in dealing with the underdeveloped institutional environment in Indonesia.
3. To explain who acts as the institutional entrepreneurs in the fashion industry in Bandung, Indonesia.
4. To investigate the nature of the institutional work carried out by the institutional entrepreneurs in the fashion industry in Bandung, Indonesia.
5. To establish an explanatory framework of institutional entrepreneurship in the fashion industry in Bandung, Indonesia.

1.3 Research Questions

The following research questions were derived from the literature and elaborate on the main theme and focal points of this study:
1. **What is the institutional environment faced by the fashion industry actors?**

The first research question explores the conditions faced by the fashion industry actors in the field. Since Indonesia is categorised as an emerging market, it is characterised by weak institutional arrangements. Therefore, the underdeveloped institutional environment faced by the fashion industry actors is revealed by this study.

2. **How do the fashion industry actors deal with Indonesia’s underdeveloped institutional environment?**

The second research question examines the actions performed by the actors to cope with the underdeveloped institutional environment in Indonesia. Hence, institutional entrepreneurs in this sector in Bandung, Indonesia, are examined as well.

3. **What is the nature of the institutional work carried out by the institutional entrepreneurs in Bandung’s fashion industry?**

The third research question investigates the nature of the institutional work carried out by the institutional entrepreneurs. This question examines what is institutionalized in the institutional work conducted, including the type and characteristics of the institutional work.

### 1.4 Scope of the Study

This research has been conducted in Indonesia, which is categorised as an emerging market. Indonesia is divided into 34 provinces and its capital city is Jakarta. The focus of this study is the fashion industry, one of 14 sectors of Indonesia’s creative industries, which is based in Bandung, the capital of the West Java province. Bandung, as the capital of the most populous province in Indonesia, is located about 180 kilometres southeast of Jakarta. The exact location of Bandung can be seen in Figure 1.1, the map of Indonesia, below.
Since 1998, after the economic crisis, the fashion industry as a part of the creative industries started to grow extensively in Bandung through the efforts of some members of local communities who created local clothing brands. Bandung has been acknowledged for its fashion sector by local and international entities as well as in academic studies, ever since then. On the international scene, Bandung had been selected by the British Council as a pilot project for the creative city development in East Asia (Fahmi, 2014b) even before the Indonesian president issued the first presidential decree for the creative economy. Bandung was also included by UNESCO as a member of the World’s Creative Cities Network in 2015 (UNESCO, 2015). The rapid development of Bandung’s creative economy and the creative industries, which contribute 40 per cent to the economic activity in Bandung (Global Indonesian Voices, 2015), explain why this study was conducted in Bandung. Bandung is famous for its fashion industry (Simatupang, 2007; Pratiwi & Damajani, 2008; Irawati, 2011; Setiadi et al., 2012; Suwarni, 2012; Aritenang, 2013; Bandung City Government, 2014; Ministry of Tourism and Creative Economy, 2014; Tanzil, 2014; Cohen, 2015; Global Indonesian Voices, 2015).
Furthermore, the focus of this study was also decided after considering data for the fashion industry in Indonesia from year to year, showing the highest achievement compared to other creative industries sectors. Fashion was the leading contributor to GDP for export (Lidia et al., 2012; Suzianti et al., 2014) and it is noted by the Indonesian Ministry Coordinator for the Economy (2015) as the highest growth rate sector and the biggest contribution to GDP in 2014. The fashion’s export contribution is also the highest of all the creative industries sectors in Indonesia (Indonesian Agency for Creative Economy, 2017a). However, the fashion industry analysed by this study does not include companies that only manufacture fashion products without engaging in the design process, although such companies are widespread in the Bandung area. Some manufacturers receive orders from foreign companies, especially famous global fashion brands. These manufacturers are only sent the patterns to be produced as finished goods in large quantities, while the designs are created by foreign companies. Therefore, this study only analyses those fashion companies that are involved in the early steps of product creation, companies that design the products themselves, although they may get them produced by other parties. By using this approach, i.e. analysing the companies that design the product themselves, this study tries to follow the principle adopted by the UK DCMS in classifying fashion as a part of the creative industries. Fashion is defined as designer fashion that mainly focuses on clothing design; manufacture, exhibition and sale of designer clothes; and related consultancy work (DCMS, 1998b).

1.5 Country Background

Indonesia is an emerging economy and the largest economy in south-east Asia. Indonesia declared its independence in 1945 after being colonised for 350 years by the Netherlands and for 3.5 years by Japan. According to the 2018 Global Competitiveness Report, Indonesia has a total population of 262 million, which makes it the world’s fourth-biggest population. In economic terms, Indonesia is categorised as a lower-middle-income
country. Its GDP per capita rate is USD 3,875.8 per annum, while its contribution to world GDP is 2.55 per cent. The unemployment rate in Indonesia is recorded as 4.2 per cent and its 10-year average annual GDP growth is 5.5 per cent. Indonesia is ranked 45th out of 140 countries in the Global Competitiveness Index for 2018 with a score of 64.9, p two places from 2017. The 140 countries listed on the index are assessed on a total of 98 indicators, which are organized into 12 pillars that reflect the extent and complexity of the drivers of productivity and the competitiveness ecosystem. These 12 pillars are Institutions; Infrastructure; ICT adoption; Macroeconomic stability; Health; Skills; Product market; Labour market; Financial system; Market size; Business dynamism; and Innovation capability. The 2018 index was compiled in accordance with the latest Fourth Industrial Revolution (4IR), in which human capital, innovation, resilience, and agility are considered as the significant factors (World Economic Forum, 2018).

The comparison between the current competitiveness level and GNI (Gross National Income) of Indonesia is relatively far below the trend line. Indonesia is in a similar position to India, which comes from the same lower-middle-income country group. These countries can increase their income and sustain levels of income in the future if they maintain their competitiveness performance. Of the 12 pillars mentioned earlier, Indonesia’s ranking on 10 competitiveness pillars increased from 2017 to 2018, the exceptions being Product market and Labour market. The three competitive pillars with the highest score are Macroeconomic stability, with a score of 90, Market size, with a score of 82, and Health, with a score of 72, while the lowest-scoring pillar is Innovation capability, with a score of 37. However, these 12 pillars’ scores are still higher than the average for the lower-middle-income countries’ group. Based on the ranking of the pillars, Market size is the highest-ranked pillar in Indonesia; Indonesia ranks 8th out of 140 for its market size.
There is one pillar called ‘Institutions’, although not all of its indicators are relevant to this study. This indicator’s score in 2018 was 57.9, which was higher than the previous year’s (2017) score and Indonesia sat in 48th place for this pillar. Of the 20 indicators in this pillar, the scores of 14 indicators increased if compared to the previous year. Four indicators had the same scores as in the previous year, and the scores of two indicators were lower than the scores of the previous year. Some indicators that are relevant to this study are Social capital, Efficiency of the legal framework in challenging regulations, Burden of government regulation, Efficiency of the legal framework in settling disputes, the Future orientation of government, Property rights, Intellectual property protection, Conflict of interest regulation, and Shareholder governance. Of these indicators, Social capital was the highest rank indicator since Indonesia ranked 10th among the 140 countries. Social capital measures the performance of a country in three aspects, i.e. bridging social capital (this aspect focuses on social cohesion and engagement); bonding social capital (this aspect covers the community and family networks); and linking social capital (this aspect addresses political participation and institutional trust). Details of the scores for all the indicators are presented in Appendix A.

1.6 Contribution of The Study

As an interpretive study, its findings are generalised to theory rather than population. This research offers the following theoretical contributions:

1. This study develops an explanatory framework of institutional entrepreneurship in the fashion industry in an emerging market economy. This framework provides all stages of institutional entrepreneurship in the field of the fashion industry. It also presents a visualisation of how the fashion industry in Bandung developed, who the actors are and what their participation is, and the arrangements made to cope with the underdeveloped institutional environment.
2. This thesis advances the study of institutional entrepreneurship and institutional work in the context of emerging markets. This study examines entrepreneurial action to handle creative industries’ low level of institutionalization and the dynamics in emerging markets, which is still an under-researched topic. This study proves the paradox of embedded agency within institutional theory, whereby members of communities, an informal association of clothing businesses, and a community, as marginal actors make contributions to create and champion new practices, although they often lack the power to transform the institutions. At the same time, the dominant actors often lack motivation even though they have the power to execute the change. This study also fills the gap left by the lack of institutional entrepreneurship studies that analyse the less powerful actors. This study enriches the literature on institutional entrepreneurship in Indonesia by discussing the creative economy and the fashion industry. Furthermore, this study can be considered as the first institutional entrepreneurship study in creative industries in Indonesia.

By developing an explanatory framework, the practical contribution of this study is to give a comprehensive explanation of how the creative economy was developed in Bandung. This framework offers the steps to develop fashion industries in emerging markets from the bottom up. The development can be started from micro and small enterprises that produce clothing at the community level, then organising an informal association of clothing businesses, and finally moving into the greater field of the creative economy at the city level. This study can be used as a basic reference for future research on creative economy development as well as the fashion industry, particularly from the institutional perspective, in other areas of emerging markets. It is also expected that Bandung’s creative economy development, as well as its fashion industry, can inspire other areas in Indonesia and other emerging markets in developing their fashion sector.
1.7 Thesis Structure

The next chapter, Chapter Two, contains a literature review divided into two sections: institutional entrepreneurship and creative industries. In reviewing the institutional entrepreneurship literature, it starts with research that analyses institutions and entrepreneurship, then continues to other papers that study institutional entrepreneurship, institutional strategies, and ends with further studies that discuss institutional entrepreneurship in the context of Indonesia. The second main section reviews creative industries, beginning with a discussion about creative industries from the global perspective and moving to the local perspective. It starts by setting the perspective of the creative industries in the world context, then moves to a review of Indonesia’s creative industries and, in turn, Bandung’s creative industries and its fashion industry. To link the two research agendas, there is a section reviewing institutional entrepreneurship in creative industries in emerging markets. This review is beneficial to give direction for this study and establish the gaps in the literature. The gap found after reviewing the literature is presented in the conceptual framework, which shows the importance of conducting this research.

Chapter Three reveals the methodological issues within this research and presents the rationale for the selection of the specific methodology used in this research. This chapter begins with a discussion of the research philosophy, which explains the ontology and epistemology of this study. The inductive approach of this research and exploratory study, as the design of the research, is then discussed. There are also two sections regarding the selection of the research participants, which was conducted purposively, and the process of data gathering, which was conducted through in-depth interviews and documentary analysis. The reliability and validity of this research are explained in the next sections. This chapter also presents how the data were analysed by the researcher with the help of
NVivo as a qualitative research support software. The ethical aspects considered in conducting this research are also explained at the end of this chapter.

Furthermore, the results of the data analysis process are presented in Chapter Four. Since this research generates three main findings, each finding is presented in its own separate section. The first section explains the process of creative economy development that was initiated by a community in Bandung. The activities conducted by this community to promote creative economy development can be considered as institutional work. The community, as an institutional entrepreneur, performed the work using the bottom-up approach, and thus the consideration of the cultural-cognitive institutional pillar offers a helpful analytical tool. This first finding’s section also explains the roles of Indonesia’s central and local governments in developing the creative economy. The arrangement of the informal clothing businesses association, as the second finding, is described in the second main section. This section begins with an explanation of the association’s informality, continues with the way of organising this informal-based clothing businesses association, and ends with an exploration of how this association shapes its members’ operational management. The third main section presents the community-based fashion brand as a new inspiration for creating a fashion business in the local context of Indonesia. The first sub-section presents how community-based fashion brands were created. The second sub-section analyses the distros (distribution outlets) as the sales channel for community-based fashion brands. The strategy and the benefits of this concept are presented as well. All these aspects are compiled as several considerations in creating community-based fashion brands. The entities involved in the creation of community-based fashion brands are explained in the last sub-section of this third finding.

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3 Distro is a popular term for a shop which sells clothing and accessories.
Chapter Five contains a discussion of the three findings of this research and relates these to the relevant literature. The discussion is presented in three sections, one for each of the three findings. The last chapter is the conclusion. In Chapter Six, the answers to the three research questions are described. This chapter provides a summary of the main findings, which answers the three research questions. An explanatory framework of institutional entrepreneurship in the fashion industry in Bandung, Indonesia, is visualised in the next section. In addition, the theoretical and practical contributions of this study are highlighted. This chapter concludes with the description of the limitations of the research and recommendations for future research based on the results of this study.
CHAPTER 2. LITERATURE REVIEW AND THEORETICAL UNDERPINNINGS

2.1 Introduction

The second chapter is a review of the literature, with a focus on institutional entrepreneurship and creative industries. The section on institutional entrepreneurship reviews the relationship between institutions and entrepreneurship, institutional entrepreneurship and actors, institutional strategies, and institutional entrepreneurship in the context of Indonesia. The creative industries section gradually examines the development of creative industries from the global to the city scope. This section is followed by an examination of the literature on fashion industry development in Indonesia, particularly in Bandung. In addition, there is a section that looks at branding in the fashion industry. The next section is a review of institutional entrepreneurship in creative industries in emerging markets. Moreover, a conceptual framework is constructed, based on the reviewed literature, to show the flow of this research’s idea. The chapter concludes by highlighting the gaps in the literature, which this study can contribute to filling.

2.2 Institutional Entrepreneurship

2.2.1 Institutions and Entrepreneurship

Scott (2001:48) describes institutions as being composed of cultural-cognitive, normative, and regulative elements that, together with associated activities and resources, provide stability and meaning to social life. Neo-institutional theory recognizes that institutions operate in an environment consisting of other institutions, called the institutional environment. Meanwhile, Davis et al. (1971), cited by Oxley (1999), define the institutional environment as the set of political, social and legal ground rules that establish the foundational basis for production, exchange, and distribution (Gupta et al., 2014). Scott’s view is in line with Greenwood et al. (2008), who see institutions as
regulatory frameworks and institutions as cultural prescriptions. An organisation needs to do more than succeed economically. Previously, it was found that organisations do not follow natural economic laws regarding efficient organisation, but rather that social, political, and cultural processes shape the organisation. Later, it was discovered that the institutional environment shapes the organisation and its tasks. The institutional environment strongly influences the rates of entrepreneurial entry and entrepreneurial initiatives (Bruton et al., 2010). It also affects the process of gaining legitimacy. The latest exploration found three pillars: regulative, normative, and cultural-cognitive. To establish legitimacy, an organisation should pay full attention to these three pillars since they are the basis of its legitimacy (Scott, 2014). Institutions are enduring elements in social life that have a very big effect on individual and collective actors’ thoughts, behaviour, and feelings (Lawrence & Suddaby, 2006).

Neo-institutional theory considers not only formal institutions but also informal institutions. From the perspective of institutional economists, institutions are constraints, both informal and formal, that structure social, economic, and political interactions. Institutions are also considered as organised procedures that represent the standard ways of interaction. There is an active construction of meaning by the members of a community. Hence, institutions are also the result of the institutions’ reproduction, alteration, and demolition processes (Lawrence & Suddaby, 2006). The tendency of the new institutional understanding can be seen from the reason why individual or collective actors comply with rules and prescriptions. They comply not only because they are rewarded or to avoid being sanctioned, but also because they believe that they are morally obligated to do so or because they are following their conception of what reasonable others would do in the same situation. The neo-institutionalists paid more attention to the effects of actors and agency in institutions. Furthermore, the three pillars of institutions are (Scott, 2001:51-58):
1. Regulative Pillar.

People comply because they are rewarded for doing so or are sanctioned for not doing so. The processes in this system are rule-setting, monitoring, and sanctioning (giving reward or punishment) activities. Some examples of this pillar are traffic sign regulations and general directions, the Financial Services and Markets Act, and Presidential Instructions.

2. Normative Pillar.

People believe that they are morally obligated to behave in a particular way. There is an introduction process of prescriptive, evaluative, and obligatory dimensions into social life. This pillar includes values, norms, and roles. The elements of normative systems are routines, procedures, conventions, roles, strategies, organisational forms, technologies, beliefs, paradigms, codes, cultures, and knowledge. Some examples of this pillar are organisational structure, job descriptions, and job specifications.


People follow their conception of what reasonable others would do in the situation. Symbols (words, signs, gestures) have an effect by shaping the meanings attributed to objects and activities. Meanings arise in interaction and are maintained and transformed as they are employed to make sense of the ongoing stream of happenings. Some examples of this pillar include dress code, cooking steps, and seminar agendas.

The dimensions of these pillars can be seen in Table 2.1.
Table 2.1. Dimensions of Three Pillars of Institutions

<table>
<thead>
<tr>
<th>Basic of compliance</th>
<th>Regulative Pillar</th>
<th>Normative Pillar</th>
<th>Cultural-Cognitive Pillar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expedience</td>
<td>social obligation</td>
<td>taken-for-grantedness, shared understanding</td>
<td></td>
</tr>
<tr>
<td>Basis of order</td>
<td>regulative rules</td>
<td>binding expectation</td>
<td>constitutive schema</td>
</tr>
<tr>
<td>Mechanism</td>
<td>Coercive</td>
<td>Normative</td>
<td>Mimetic</td>
</tr>
<tr>
<td>Logic</td>
<td>Instrumentally</td>
<td>appropriateness</td>
<td>Orthodoxy</td>
</tr>
<tr>
<td>Indicators</td>
<td>rules, laws, sanctions</td>
<td>certification, accreditation</td>
<td>Common beliefs, Shared logics of action</td>
</tr>
<tr>
<td>Basis of legitimacy</td>
<td>legally sanction</td>
<td>morally governed</td>
<td>Comprehensible, Recognisable, Culturally supported</td>
</tr>
</tbody>
</table>

Source: Scott (2001:51-58)

These three pillars are needed in creating and building organisations, including business organisations built by entrepreneurs. After a brief explanation of institutions, the next discussion is on the connection between institutions and entrepreneurship. Tracey and Phillips (2011) introduce the link between neo-institutional theory and entrepreneurship in emerging markets. Institutional uncertainty is considered as a constraint as well as an opportunity for entrepreneurs. The dynamics of institutions and the institutional environment push the conduct of entrepreneurial activity. Informal structures appear more often than formal structures such as acts and laws. Significant attention is given by neo-institutional theory to institutional change and to some people behind the activities. This theory has been found useful in analysing entrepreneurship (Phillips & Tracey, 2007). According to Eijdenberg et al. (2019), economic, political, and cultural institutions can constrain or enable entrepreneurial activities. Economic constraints are capital requirements, customer base, competition, skilled labour, and quality of supply, while economic enablers are access to capital and customer spending. Political constraints are enforcement, provision/access to public goods, and unclear/complicated bureaucracy, while a political enabler is trade policy. Lastly, the cultural constraints are language barriers, negative media, and gender disparity, while cultural enablers are marriage gifts, family, and gender equality. To respond to institutional constraints, entrepreneurs can conduct three types of action, namely, entrepreneurial, personal, and interpersonal. There
is also a paradox of embedded agency within institutional theory. Marginal actors make contributions to create and champion new practices, but often lack the power to transform the institutions. On the other hand, the dominant actors often lack motivation, although they have the power to execute the change (Garud et al., 2007).

Out of 7,482 total articles, 43 articles were found that addressed entrepreneurship in emerging economies in a review conducted from 1990 to 2006 in nine leading journals of management (Bruton et al., 2008). This review found that institutional forces, besides culture, moderating behaviour within and across organisations were critical to understanding entrepreneurship in emerging economies. Cultural institutions were found as the dominant examined pillar, while regulative and normative institutions were very rarely discussed. Institutional theory was recognised for its insightful contribution to emerging markets. Institutional forces not only constrain but also enable entrepreneurship. Therefore, entrepreneurs can shape their institutional environment. To improve this environment, entrepreneurs in emerging economies have a significant potential to become institutional entrepreneurs. As institutional entrepreneurs, they also create structures to promote and make their business recognisable (Bruton et al., 2010).

Institutions also affect the creation of new businesses. The growing adoption of national and regional policies has influenced new firm formation and self-employment as worthy goals for entrepreneurs and society (Zahra & Wright, 2011). In addition, Herrera-Echeverri et al. (2014) found a strong positive relationship between institutional quality and the creation of businesses. Institutions like property rights protection, the quality of legal services, law enforcement, and corruption control impact entrepreneurship. Hwang and Powell (2005) admit that entrepreneurial activity requires the recombination of existing materials and structures. They include the generation and translation of organisational structures and practices as a part of the recombination. Therefore, there are institutions modified in entrepreneurial activity.
Zahra and Wright (2011) notice that institutions affect the spatial dimension of the entrepreneurial context. Paying attention to the context of entrepreneurial activities provides a foundation for linking different organisational forms to appropriate institutions such as incentives, structure, and power relationships. The formations of new institutions are the outcomes generated by entrepreneurship to facilitate wealth and value creation for entrepreneurs and society. The institutional and entrepreneurial context can also be approached from the communities perspective (Jennings et al., 2013). Communities are structured based on the level of analysis or a particular area (local, regional, transnational) and by type (industrial, sectoral, virtual).

2.2.2 Institutional Entrepreneurship and Actors

To understand the emergence of new institutions, the concept of institutional entrepreneurship is utilised. The action of shaping institutions represents the act of institutional entrepreneurship (DiMaggio, 1988). Lawrence and Suddaby (2006) consider that the essay of DiMaggio (1988) made institutional researchers change their view regarding the effects of actors and agency on institutions. How actors act to change institutions by using technology, market leadership, or lobbying is the focus of the institutional entrepreneurship concept. This concept also considers that individuals’ and organisations’ practices are important when new institutions are created. In addition, the change agency of organised actors is the key aspect of institutional entrepreneurship.

Uncertain conditions could be taken as an opportunity for entrepreneurs to create new businesses and influence institutionalization. These conditions could lead to institutional entrepreneurship that defined as “the activities of actors who have an interest in particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones” (Maguire et al., 2004:657). Li et al. (2006) point out that institutional entrepreneurs are those actors who construct market institutions in their business activities. They do not merely play the role of traditional entrepreneurs in the
Schumpeterian sense as they do not only create a new venture. Institutional entrepreneurs play a significant role in emerging markets since they pioneer economic development as well as establish a market-economy system. They demolish institutional barriers to set up market institutions. Hwang and Powell (2005) note that institutional entrepreneurship is needed not only in the creation of new business organisations but also in the generation of new organisational models and policies that change the direction and flow of organisational activity. Shifts in the institutional environment create opportunities for individuals and organisations to seize upon recombined tools or constructs to overturn existing ways and bring about new ways of organizing.

“Institutional entrepreneurs can be individuals, small or large firms, governmental, or not-for-profit organisations” (Tracey & Phillips, 2011:29), especially in professions, networks, associations, and social movements (Hardy & Maguire, 2008). According to Yavuz et al. (2014), institutional entrepreneurs exist in the form of organisations or individuals who act in different positions, such as central or peripheral, and under different field conditions, such as mature or emerging fields. They argue that most institutional entrepreneur studies focus on powerful actors with abundant resources and occupying a central position. For actors with a peripheral position or powerless actors, their relationship with powerful actors greatly influences their agency. They emphasize the importance of understanding the resource mobilisation process, especially for powerless actors. The transformation between different forms of capital appears to be the key process that facilitates institutional entrepreneurship. This aspect complements the explanation of resource mobilisation. According to Bourdieu (1986), there are four forms of capital, namely, economic, cultural, social, and symbolic capital. Economic capital is monetary income, which can be directly converted into money and other financial resources such as property rights. It is the objective and root of the other types of capital. Cultural capital contains habits and experiences related to professional and educational
activities. Social capital contains social obligations or connections, something acquired by forming co-operation. The last form of capital is symbolic capital, a capital that is understood symbolically, such as recognition and reputation. Yavuz et al. (2014) add that cultural capital forms the problematisation or issue identification step in entrepreneurship. Social capital is important to gain legitimacy and acquire other resources, while symbolic capital is important for legitimatising the work done and gathering social capital.

Entrepreneurs can play the role of institutions’ shapers and creators. Combining institutional logics and a focus on everyday entrepreneurial actions presents an opportunity to examine the role of entrepreneurship in institutionalization. However, creating new institutions needs several actors as well as institutional work. Besides the entrepreneurs who leverage resources and skills, supportive and facilitative actors are also needed (Lawrence & Suddaby, 2006).

An institutional entrepreneur is different from an entrepreneur. An entrepreneur is a person who sets up business or businesses, and she or he may or may not play a role as an institutional entrepreneur. When entrepreneurs generate new business models, they can be regarded as institutional entrepreneurs (Battilana et al., 2009). However, institutional entrepreneurs are not necessarily entrepreneurs since launching a new business is not a compulsory factor in institutional entrepreneurship. Battilana et al. also assert that institutional entrepreneurs are change agents, but not all change agents are institutional entrepreneurs. To be regarded as institutional entrepreneurs, actors must initiate divergent change and actively participate in these changes’ implementation. Battilana et al. consider that actors who do not initially intend to change their institutional environment but initiate and actively participate in the implementation of these changes can be defined as institutional entrepreneurs. If there is an unsuccessful implementation of divergent changes, the actors who actively participate in this activity can still be considered as institutional entrepreneurs. There are two enabling conditions for
institutional entrepreneurship: the field characteristics and actors’ social position. Field-level conditions are social upheaval, technological disruption, competitive discontinuity, and regulatory changes. Actors’ social position influences the actors’ perception of a field and the access to resources needed.

Institutional entrepreneurship, according to Hardy and Maguire (2008), can be analysed as follows:

1. The type of actor who takes on the role of institutional entrepreneurship is categorized by properties associated with the actor and the position of the actor in a given field. The properties associated with the actor are divided into special characteristics, qualities, abilities, and interests. The positions of the actor in a given field are divided into subject positions (power, resources, and capital relations); social position; and not having power but occupying a subject position. The positions of the actor can also be classified as central or peripheral.

2. Field conditions that help to initiate institutional entrepreneurship are based on stimuli and state/circumstances. There are three kinds of stimuli, i.e. uncertainty, problems, and tensions and contradictions. States or circumstances are emerging, mature, or in crisis.

3. The process of institutional entrepreneurship is categorized by types and steps. There are three types of process, i.e. create, reproduce and change. The steps of the process are dislodging existing practices (in mature fields), introducing new institutions, and the adoption of new institutions so that they come to be taken for granted.

4. Institutional entrepreneurship intervention strategies are based on the mobilisation of resources (finance, knowledge, social position, political, material, organisational and cultural); construction of rationales for institutional change (content, context
and outcome of communicative acts); and forging of new inter-actor relations to bring about collective action (collaborations, coalitions and alliances).

The idea of institutional entrepreneurship particularly develops the creation of institutions (Lawrence & Suddaby, 2006). There are three key elements in an approach to the study of institutional work, consisting of the creation, maintenance, and disruption of institutions. The first one is that individuals and collective actors’ skills, awareness, and reflexivity would be emphasized in the study of institutional work. The second is a comprehension that institutions are embedded in the set of practices in which individual and collective actors engage. Third, action is emphasized as practice, including action that wants to change the institutional order. Therefore, innovation also exists in institutional fields.

Furthermore, there are nine types of institutional work that result in the creation of new institutions, which are grouped into three categories of activities. The first group consists of advocacy, defining, and vesting. These three types of institutional work have the potential to form a strengthening cycle with one another. Advocacy is an important work before defining, and defining becomes a potential work for the emergence of vesting. In turn, constraints and regulations, as the result of vesting, give the actors an opportunity to conduct advocacy. Frequently, these three types of institutional work tend to have a revolutionary rather than an evolutionary character since institutional change happens dramatically in a large-scale process. From these three work practices, it is also understood that the state is not the only actor with regulatory or coercive authority. The authors indicate the political work of actors in rebuilding rules, boundaries, and property rights that confer access to material resources. In short, these types of institutional work focus on rules.

The second group of actions, constructing identities, changing normative associations, and constructing normative networks, comprise the activities that reconfigure the belief
systems of the actors. These three types of institutional work have the same attribute of focusing on the institutions’ normative structure. They follow the norms, values, and roles that underpin institutions. The difference between these three work practices is in their contextual relationship. The three different types of interactions are actor-field, norm-field, and actor-actor. Unlike rules-based work, which depends on the ability of an actor to enforce compliance, normative work relies on cultural and moral force, which is embedded in the practice of communities. Consequently, the forms of normative work all depend significantly on the co-operation of those communities to make real the intended new institutions.

The third set of actions consists of mimicry, theorizing, and educating. These actions construct the abstract categorizations in which the meaning systems’ boundaries are constructed. These three types of institutional work concentrate on the cognitive side of institutions – the beliefs, assumptions, and frames that shape action by giving clear and meaningful interaction patterns to be followed. These work practices may involve well-established actors in a field, but at the same time hold the greatest potential for institutional entrepreneurship on the part of relatively small, peripheral or isolated actors. Lawrence and Suddaby (2006) define and explain the nine types of work as follows:

1. Advocacy.

This institutional work is defined as “the mobilisation of political and regulatory support through direct and deliberate techniques of social suasion” (Lawrence & Suddaby, 2006:221). Lobbying for resources, proposing new legislation, attacking existing regulation, and promoting agendas are required by this work. Advocacy is an institutional work associated with institutions’ creation because it becomes the main factor by which marginal actors obtain legitimation in the beginning, to impact new institutions. One good example of this work is the collective action of
the Fisherman’s Association and their connection with the Labour Party in Norway in establishing the Herring Act as mentioned by Lawrence & Suddaby.

2. Defining

The definition of defining is “the construction of rule systems that confer status or identity, define boundaries of membership or create status hierarchies within a field” (Lawrence & Suddaby, 2006:222). Usually, this work is preceded by the criteria construction and continued by a formal accreditation process, standards creation, and the actors’ certification within the field. The most defining work focuses actors on the ‘constitutive rules’ creation. These are the rules that enable institutional action and not the ones that constrain action. One example of defining is the practices of the International Standard Organisation (ISO).

3. Vesting

Vesting is institutional work conducted to grant property rights by creating rules structures. The negotiation of a ‘regulative bargain’ between the state or another coercive authority and some other interested actor is a general element of vesting. New field dynamics and new actors can be created by vesting since it refers to the micro-processes that change the rules of the field relations. Vesting results in some sharing of regulatory and coercive authority, as when government authority is used to reallocate property rights. One example of vesting is the creation of a regulation that allowed the establishment of an independent power-production industry in the US. This regulation gave state governments authority in setting the electricity price in each state.

4. Constructing identities

Work to create institutions can be referred to as constructing identities when it focuses on describing the relationship between actor and field. This work is mainly connected with professions’ development. One example of this work is the
reorientation of employees’ identities in an Alberta museum, whereby the mindset of employees was directed to working in a business environment rather than only in a museum.

5. Changing normative associations

This institutional work is defined as “remaking the connections between sets of practices and the moral and cultural foundations for those practices” (Lawrence & Suddaby, 2006:224). There is the creation of new institutions which complement or are parallel to the existing institutions. The new institutions do not directly challenge but simultaneously support the pre-existing institutions. This work reconstructs the relationship between norms and the institutional field in which they are produced. One good example of this work is the adoption of business-like structures and managerial practices in healthcare organisations in the US in the 1980s.

6. Constructing normative networks

The definition of this work is “constructing of interorganisational connections through which practices become normatively sanctioned and which form the relevant peer group with respect to compliance, monitoring and evaluation” (Lawrence & Suddaby, 2006:225). Parties that used to be separate can build normative networks that impact new institutions. The action sometimes happens in parallel with existing institutional structures and activities. Some of the new institutions imitate the activities of government and others complement the government or other actors’ activities. This work modifies the relationship between actors in the field by transforming the normative assumptions that connect them. One example of this work is the emergence of the institution in the field of child nutrition in Palestine that was constructed by a normative network of non-government organisations, university, government agency, and other parties.
7. Mimicry

The institutional work of mimicry is work toward “associating new practices with existing sets of taken-for-granted practices, technologies and rules in order to ease adoption” (Lawrence & Suddaby, 2006:225). In creating new institutions, actors can influence the existing rules, technologies, and taken-for-granted practices if they can connect the new with the old, thereby facilitating the adoption. Mimicry can be done by using elements of design that symbolically connect previous and current technologies. The sign of a successful mimicry is that the alignment of the new and old templates can make the new structure clear and accessible. Mimicry utilises the existing patterns of action to articulate and legitimate new structures and practices. Mimicry can provide a powerful means for new entrants into a domain to legitimate and institutionalize new practices, rules, and technologies. One example of this work is when Edison institutionalized the electric light by utilising the gas lamp concept.

8. Theorizing

Theorizing is an institutional work that focuses on how abstract categories are developed and specified and chains of cause and effect are elaborated. The main element of this work is the naming of new practices and concepts to make them part of the cognitive map of the field. Naming is an important first phase that gives the basis for further theorizing. Theorizing builds beliefs and concepts to support new institutions. Theorizing and educating, on the other hand, seem to be associated primarily with larger, central actors in a field – those actors with the resources and legitimacy to articulate cause and effect relations, provide peripheral actors with templates for action, and educate whatever publics are relevant to an institution. An example of this work is the creation of US health policy that was
started by adopting the label Health Maintenance Organisation (HMO) for the organisation.

9. Educating

This institutional work can be defined as “the educating of actors in skills and knowledge necessary to support the new institution” (Lawrence & Suddaby, 2006:227) because the creating of new institutions sometimes involves the establishment of novel practices and relating those practices to control mechanisms. Educating supplies actors with the significant knowledge to join in new practices or connect with new structures. This work can only occur when the marginal actors act collectively, in the form of a social movement, thereby elevating their position from atomistic marginal players to a unified and central actor. One example of educating work is the institutionalization of a recycling programme in US universities by annual student conferences, holding workshops, providing training, and supporting work on activities such as the audit of campus solid waste.

Institutional entrepreneurs are more easily found in emerging markets because conditions in most of these meet the criterion of low institutionalization. Furthermore, weak institutional arrangements and some resource-constrained environments are found to be characteristic of emerging markets (Yavuz et al., 2014). Hence, there are more opportunities for institutional entrepreneurship in emerging markets. Institutional entrepreneurs direct emerging markets to become more institutionalized. Institutional entrepreneurs also see opportunity as the possibility of new goods, services, raw materials, and methods that will result in profit (Shane & Venkataraman, 2000). Dorado (2005) states that the entrepreneurial process in an institutional context is a cyclical process. Starting with uncertainty and ending with a stable condition, institutional entrepreneurship starts over again when there is a challenge to face in the latest condition,
such as tight competition. Dorado also adds that the institutional change process, which is divided into entrepreneurship, partaking, and convening, is influenced by the form taken by the three factors: agency or logic of action, process of resource mobilisation, and the institutional opportunity of organisational fields. First, the forms of agency depend on the actors’ dominant temporal orientation: strategic for future orientation; routine for past orientation; and sensemaking when the present orientation is dominant. Second, the processes of resource mobilisation are divided into leveraging, accumulating, and convening. Leveraging is inspired by the creation of new organisational forms. It requires politically skilled actors to frame and convince others of the need for change. Accumulating is inspired by innovation studies. It happens as the uncoordinated actions of countless actors. It relies on the network of independent actions and the interactions of actors rather than a single project. Convening is inspired by studies to solve complex social problems. It requires the creation of interorganisational arrangements to stimulate the change process. The third is the institutional opportunity of organisational fields, which are divided into three dominant forms: opportunity opaque, a form when the field is highly isolated and/or highly institutionalized and almost an absence of opportunities is experienced; opportunity transparent, a form when the field is substantially institutionalized and several institutional referents are available, whereby there are a lot of opportunities as actors can define new institutional arrangements and gain support for them; and opportunity hazy, a form when the field is highly unpredictable because the multiplicity of schemes produces complexity and/or volatility. In the fields of opportunity hazy, opportunities are difficult to be reached and it is hard to make sense of the problematic environment. According to the combination of agency or logic of action, the process of resource mobilisation, and organisational fields, institutional change can be classified as shown in Table 2.2 below.
Table 2.2 shows that the process of resource mobilisation influences the speed of institutionalization. Institutional entrepreneurship, as the first profile, is defined when the resource mobilisation is leveraging, the agency is strategic, and the forms of the organisational field are opportunity opaque, opportunity transparent, and opportunity hazy. The second profile of institutional change, partaking, is defined as the autonomous actions of countless agents converging over time. It happens when the type of resource mobilisation is accumulating and the forms of the organisational field are opportunity opaque for routine agency, or opportunity transparent for routine/sensemaking/strategic agency, or opportunity hazy for routine/sensemaking agency. The third profile is institutional convening, which is the change that happens when collaborative arrangements are initiated by organisations or individuals to solve complex social problems. This institutional change only happens when the organisational field is opportunity hazy.

Table 2.2
Profiles of Institutional Change

<table>
<thead>
<tr>
<th>Profile</th>
<th>Resource Mobilisation</th>
<th>Agency</th>
<th>Organisational Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurship</td>
<td>Leverage</td>
<td>Strategic</td>
<td>Opportunity opaque</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Opportunity transparent</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Opportunity hazy</td>
</tr>
<tr>
<td>Partaking</td>
<td>Accumulate</td>
<td>Routine</td>
<td>opportunity opaque</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Opportunity transparent</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Opportunity hazy</td>
</tr>
<tr>
<td>Sensemaking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic</td>
<td>Convening</td>
<td>Strategic</td>
<td>Opportunity transparent</td>
</tr>
</tbody>
</table>

Source: Dorado (2005)
2.2.3 Institutional Strategies

Dorado (2005) and Garud et al. (2002) believe that institutional entrepreneurs try to create and/or manipulate the institutional structures in their area. According to Tracey and Phillips (2011), three institutional strategies which could be taken in emerging markets are institutional brokering, spanning institutional voids, and bridging the institutional distance. In institutional brokering, entrepreneurs lower the institutional uncertainty by taking over the risk of other entities. There are two conditions required to make this strategy succeed. First, the entrepreneur has to build a business model to lower the uncertainty faced which is hard to be solved by another actor. Second, the developed business model should share its profit consistently and continually with the entrepreneur’s partners. The more complicated the uncertainty, the bigger the opportunity for institutional entrepreneurs as intermediaries.

The second strategy is spanning institutional voids. Tracey and Phillips (2011) define institutional voids as the unavailability of the institutions needed for facilitating economic activity. These voids block several business practices, standards, procedures or other institutions. Institutional entrepreneurs can become the actors that fill the gap in order to move the markets. In other words, as Mair and Marti (2009) mention, institutional voids happen when there is an absence, weakness or failure of institutional arrangements in accomplishing the actors’ role. The greater the number of institutional voids, the greater the opportunity to build enterprises that span them and to act as institutional entrepreneurs. Social and political skills are involved when institutional entrepreneurs shape standards as a strategy for spanning institutional voids (Garud et al., 2002). There are three types of institutional voids that can be spanned according to Onsongo (2019), namely market, policy, and social voids. Based on the parties that come into contact with the institution created, institutional entrepreneurs should build legitimacy among the market audience, regulatory audience, and contesting audiences. Webb et al. (2019:7)
classified institutional voids into two, namely formal and informal institutional voids. Formal institutional voids are defined as “a lack of or a failure of formal institutions (i.e., laws, regulations, infrastructures, and supporting apparatuses) to support efficient and effective market transactions”, while informal institutional voids are defined as “a lack of or a failure of informal institutions (i.e., norms, values, beliefs, and corresponding localized supporting apparatuses) to support efficient and effective market transactions.”

The third strategy is bridging institutional distance (Tracey & Phillips, 2011), as the practice of translating or transposing an institution between countries. There may be not only a mirroring of the institution but also a modifying of the institution to fit the host country’s conditions. Institutions may be transferred from developed economies to emerging economies or between emerging economies. Entrepreneurs who bridge institutional distance could come from the institutions’ country of origin, the institutions’ destination country, or even a third country. The greater the institutional distance, the bigger the opportunity to create value. Increased institutional distance leads to increased risk as well as rewards for entrepreneurs.

As stated by Li et al. (2006), four strategies that could be taken by entrepreneurs to change institutions are open advocacy, private persuasion, making a case for exceptions, and ex-ante investment with ex-post justification. Entrepreneurs may, for example, give a press conference to criticize existing policies as a form of the open advocacy strategy, or they could lobby decision-makers as a private persuasion strategy. Making a case for exceptions is a strategy of giving a special case to be considered by decision-makers so the entrepreneurs’ businesses will gain exceptions and be allowed to operate. The ex-ante investment with ex-post justification is a strategy whereby entrepreneurs run their businesses first by avoiding existing policies and reporting the businesses’ success later to justify their earlier behaviour in order to change the existing policies.
Another perspective is provided by Marquis and Raynard (2015). They suggest that in the context of emerging markets, institutional strategies are categorised into three sets: relational, infrastructure-building, and socio-cultural bridging. Relational strategies are the actions and activities taken to interact with and strategically manage important referent audiences, including political bodies and key stakeholder groups. Infrastructure-building strategies are the actions and activities taken to address marginally developed markets and underdeveloped social, technological, and physical infrastructures. Socio-cultural bridging strategies are the actions and activities taken to address socio-cultural and demographic issues/challenges, which shape the competitive environment. They emphasize that emerging markets are characterized by greater informality and less developed government and regulatory infrastructures.

Institutional entrepreneurs can create measurement as an output of strategy to legitimate the emerging industry, their existence as well as their systemic power. Although institutional entrepreneurs have only episodic power before the institutionalization of their project, once it is institutionalized, they enjoy systemic power. Such systemic power will last only as long as the institutional entrepreneur is the only one in control of the measurement. An example of an agency as an institutional entrepreneur is the creation of the Corporate Social Performance (CSP) measurement in the Socially Responsible Investment (SRI) industry by giving ratings. SRI is a new form of investment which is based on the ethical conduct of the companies. The measure makes the SRI understandable and scalable (Déjean et al., 2004).

2.2.4 Institutional Entrepreneurship in the Context of Indonesia

This section examines the scholarly discussion of institutional entrepreneurship in the context of Indonesia. It is important to understand previous institutional work practices and their related aspects in Indonesia. Indonesia is classed as an emerging market economy. Therefore its institutional conditions are characterized by a non-transparent
political and regulatory environment; improving the standard of living; young population and expanding working population; moderate to high Human Development Index (HDI) levels; increasing urbanization; a burgeoning middle class; growing demand for consumer goods; the prevalence of state-owned firms; a low to moderate degree of political freedom; and moderate to high levels of government intervention in business (Marquis & Raynard, 2015).

The 2018 Global Competitiveness Report shows social capital as Indonesia’s highest-ranking indicator (World Economic Forum, 2018). On this indicator, Indonesia ranked 10th among 140 countries. Social capital is defined by the OECD as “networks together with shared norms, values and understandings that facilitate co-operation within or among groups” (Keeley, 2007:103). Vial (2011) mentions that in developing countries, social capital is essential to obtain access to most resources – such as start-up capital, operating licences and a sufficient quantity of inputs – and to gain access to customers and users through connections, word of mouth, reputation, and network-embedded trust. In emerging economies, early-stage development institutions do not usually support small entrepreneurs. This situation is the trigger for activities that leverage resources, one of which is social capital, to create or transform institutions. Carney et al. (2008) showed that social capital is also essential in coping with an underdeveloped institutional environment. Their study highlighted a family enterprise in Indonesia that was strongly supported by its social capital in sustaining its business for over 70 years.

Dieleman (2011) reports an example of institutional work conducted in urban development. A real estate developer spanned the institutional void related to the inability of the government to provide the urban living conditions that could make emerging middle-class citizens pay for the facilities built. This action of an institutional entrepreneur was seen when a new town was developed by the developer. Since the government could not afford to build an ideal environment, a developer could fill the
government’s role and put this domain in its commercial business model. The developer took the lead in urban planning, constructing, maintaining facilities, and governing the safety and community development. Another study of institutional entrepreneurship in the urban development sector was conducted by Carney et al. (2016). They describe how an Indonesian real estate developer spanned an institutional void in Vietnam. This company brought a model created in Indonesia and applied it in Vietnam, with some adjustment. A new town was built when there were no established institutions of a legal framework and urban planning.

In the marine sector, institutional entrepreneurship was captured in a setting of international agreement to manage coastal and marine resources (Rosen & Olsson, 2013). Several institutional entrepreneurs from governments and non-governmental organisations (NGOs) worked together to launch a conservation project around the coastal area of Indonesia, the Philippines, Malaysia, Papua New Guinea, the Solomon Islands, and Timor-Leste. Another study conducted by von Heland et al. (2014) analysed institutional entrepreneurs who developed new ecosystem stewardship by combining marine resource management and spirituality as well as marine resource management and education. There was also a process of bridging institutional distance when global sustainability standards were adapted to the local context of Indonesia (Schouten et al., 2016). The global standard of the Aquaculture Stewardship Council was diffused to the Indonesian shrimp sector by considering technical, cultural, and political aspects. The local NGOs were the most important actors in this diffusion process, and they mediated between the global standard and the local organisational field.

Another example of institutional entrepreneurship was seen in the government sector. Wahid and Sein (2013) analysed the institutionalization of an e-procurement system in the city of Yogyakarta, Indonesia. In this work, the city mayor was considered as the institutional entrepreneur. This study mapped the interplay between the institutional
isomorphism, institutional logic and institutional entrepreneurs that affected the institutionalization of the e-procurement system. As an extension, Wahid’s (2017) study analysed how the city mayor exercised his value-guided power to institutionalize this e-procurement system.

The role of politicians in institutional work is reported by Spranz et al. (2012). They note that rent-seeking behaviour and the corruption of politicians and bureaucrats – indicators of an underdeveloped institutional environment – caused poor economic performance in Indonesia. The authors mention that an underdeveloped institutional environment was still being experienced in the financial, legal, and political spheres. In developing the economy, Indonesian politicians often played a role as ‘public entrepreneurs’ and ‘cultural entrepreneurs’ when mediating the incompatibilities between formal institutions and informal constraints by using a cultural approach.

Institutional work has also been seen in the tourism sector. A group of pedicab drivers in Yogyakarta spanned a void related to operational mechanisms. Since they became a tourist attraction, they had to create a mechanism for collecting their commission, pedicab rental agreements, parking agreements, and working agreements with competitors. They also formed an association to regulate their existence (Dahles & Prabawa, 2013).

It can be seen that institutional entrepreneurship studies undertaken to analyse the Indonesian context have been very limited in the past eight years. They only discussed a few sectors, such as urban development, marine sector, government, economic development, and tourism. Therefore, the opportunity to conduct research on institutional entrepreneurship in a different sector in the context of Indonesia is wide open since the underdeveloped institutional environment is still experienced in Indonesia, as an emerging market economy.
Before analysing the current discussion regarding institutional entrepreneurship in creative industries in emerging markets, the next section presents a brief explanation of creative industries ranging from the global context to a more specific context in Bandung, Indonesia. The condition of the fashion industry in Indonesia and Bandung is also explained, as is branding in the fashion industry.

2.3 Creative Industries

2.3.1 Global Creative Industries

Creative industries are defined as “those industries which have their origin in individual creativity, skill, and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property” (DCMS, 2001:00-05). Another perspective is stated by UNCTAD, which defines creative industries as “the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs; constitute a set of knowledge-based activities, focused on but not limited to arts, potentially generating revenues from trade and intellectual property rights; comprise tangible products and intangible intellectual or artistic services with creative content, economic value and market objectives; are at the cross-road among the artisan, services and industrial sectors; and constitute a new dynamic sector in world trade” (United Nations, 2008:13).

Creative industries are composed of several sectors. From different perspectives, some organisations and experts show these sectors differently and have created different classifications of these sectors. The UK DCMS presented 13 sectors in their 1998 creative industries mapping (DCMS, 1998a) as well as in the 2001 mapping (DCMS, 2001). Although these two documents mapped creative industries onto the same number of sectors, the 13 sectors in the 1998 mapping are slightly different from those in the 2001 mapping. In 2015, the UK DCMS improved the classification of creative industries and reduced the number of sectors to nine (DCMS, 2015). Another classification of creative
industries was proposed by Howkins (2001), who identified 15 creative economy sectors, i.e. advertising, architecture, art, crafts, design, fashion, film, music, performing arts, publishing, research and development, software, toys and games, TV and radio, and video games. UNCTAD also classifies creative industries based on heritage, arts, media, and functional creations, while the World Intellectual Property Organisation (WIPO) divides creative industries into three main parts based on the industry involvement in the creation, manufacture, production, broadcast and distribution of copyrighted works (United Nations, 2008). The successive mapping of creative industries by the UK DCMS from their first attempt in 1998 to 2015, as well as the UNCTAD and WIPO classifications, are presented in Table 2.3 below.

Table 2.3
The Sectors of Creative Industries

<table>
<thead>
<tr>
<th>UK DCMS 1998</th>
<th>UK DCMS 2001</th>
<th>UK DCMS 2015</th>
<th>UNCTAD</th>
<th>WIPO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>Advertising and marketing</td>
<td>Advertising and marketing</td>
<td>Heritage: Cultural sites</td>
<td>Core copyright: Advertising</td>
</tr>
<tr>
<td>Antiques</td>
<td>Architecture</td>
<td>Architecture</td>
<td>Traditional cultural expressions</td>
<td>Collecting societies</td>
</tr>
<tr>
<td>Architecture</td>
<td>Art and antiques market</td>
<td>Crafts</td>
<td>Arts: Performing arts</td>
<td>Film and video</td>
</tr>
<tr>
<td>Crafts</td>
<td>Crafts</td>
<td>Design: product, graphic, and fashion</td>
<td>Visual arts</td>
<td>Music</td>
</tr>
<tr>
<td>Design</td>
<td>Design</td>
<td>Film, TV, video, radio, and photography</td>
<td>Media: Publishing and printed media</td>
<td>Performing arts</td>
</tr>
<tr>
<td>Fashion</td>
<td>Designer fashion</td>
<td>IT, software, and computer services</td>
<td>Audio visuals</td>
<td>Publishing</td>
</tr>
<tr>
<td>Film</td>
<td>Film and video</td>
<td>Publishing</td>
<td>Musical instruments</td>
<td>Software</td>
</tr>
<tr>
<td>Leisure</td>
<td>Interactive leisure software</td>
<td>Museum, galleries and libraries</td>
<td>Visual and graphic art</td>
<td>Television and radio</td>
</tr>
<tr>
<td>software</td>
<td>Music</td>
<td>Music, performing and visual arts</td>
<td>Interdependent copyright: Blank recording material</td>
<td></td>
</tr>
<tr>
<td>Music</td>
<td>Performing arts</td>
<td>Performing arts</td>
<td>Consumer electronics</td>
<td></td>
</tr>
<tr>
<td>Performing</td>
<td>Publishing</td>
<td>Publishing</td>
<td>Musical instruments</td>
<td></td>
</tr>
<tr>
<td>arts</td>
<td>Software and computer services</td>
<td>Museum, galleries and libraries</td>
<td>New media</td>
<td></td>
</tr>
<tr>
<td>Publishing</td>
<td>Publishing</td>
<td>Music, performing and visual arts</td>
<td></td>
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</tr>
<tr>
<td>Software</td>
<td>Software and computer services</td>
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<td>TV and radio</td>
<td>Television and radio</td>
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</table>
Who are the generators of creative industries? Scott (2004) argues that young people are the generators through their unique networks and art competencies. According to Hartley (2005), creative industries bring together seminal essays written across traditional and new media, industry sectors, and national contexts to demonstrate that content still drives a value-neutral knowledge economy. The development of creative industries that focuses on intellectual property creation is growing nowadays. The World Bank noted that 50 per cent of people's consumption is supplied from the creative industries. In 2005, the creativity-related manufacturing industry contributed 33 per cent of the world's income, six times more than the contribution of oil and gas (Djuitaningsih & Susanto, 2010).

Creative industries are the advancement of cultural industries. Their shift has been influenced by government policies, business people, academic studies, and the artists themselves. Digital technologies are believed to be the driver of the creative industries. As a reflection of economic growth, the creative industries began with the end of the mass production era and the rise of cultural consumption. It is reported that creative industries predominantly take the form of SMEs (Connor, 2007). The term ‘creative industries’ came into common use after the revisions of the definition stated by UK DCMS and
discussion in UNESCO and UNCTAD, which consolidated the concept by merging the cultural and creative industries (Pratt, 2008), although the term is believed have appeared for the first time in the ‘Creative Nation’ report in Australia in 1994. In a report of the United Nations (2008), besides indicating the wide exposure of this term by the UK government in 1997, it was also identified that the creative economy had already begun to be a leading component of economic growth, employment, trade, innovation, and social cohesion in most advanced economies.

Ideas around the creative economy emerged at a rapid pace in the early 2000s (Prince, 2010). In Europe, great attention to creative industries was shown in a report on the ‘Contribution of the Cultural and Creative Sectors to the Achievement of the Lisbon Objectives’ by the EU Council in 2007, the European Year of Creativity and Innovation in 2009, and ‘Unlocking the potential of the cultural and creative industries’, a European Commission Green Paper in April 2010 (HKU, 2010). Several studies in New Zealand (De Bruin, 2005), Australia (Australian Government, 2011), Belgium (Duisenberg, 2014), the Caribbean and Latin America (Dunn & Thomas, 2013), Germany (Plum & Hassink, 2014), Eastern Europe (Rozentale, 2014), Spain (García-Tabuenca et al., 2011), the Netherlands (De Jong et al., 2007), Ireland (Cinnéide, 2005), and Russia (Moss, 2005) show the rise of creative industries.

The latest update from Peltoniemi (2015) shows key concepts and their connections in cultural creative industries research. Three main concepts are product-market characteristics, management challenges, and industry dynamics. Product-market characteristics consist of taste and popularity as well as gatekeeping. Management challenges include the art and profit perspective as well as creative labour. Industry dynamics consist of cultural industries as communities and industry structure and creative outcomes. Sense-making within the community and interdependence in communities,
which are typically found in creative industries, show the creative industries’ dependence on the community.

Cinnéide (2005) and Hotho and Champion (2011) indicate that entrepreneurship and innovation are important factors within the creative industries. Besides globalization and ‘digital shift’ factors, creative industries could be developed further through the entrepreneurial dimension as a non-technological driver of innovation, such as access to finance, access to markets, intellectual property rights, education and training, innovation and connective collaboration and clustering (HKU, 2010:6; Dunn & Thomas, 2013; Duisenberg, 2014; Flew & Cunningham, 2010).

2.3.2 Creative Industries in Indonesia

Indonesia has been identified as one of the world’s most exciting and fastest-growing emerging economies. McKinsey & Co have predicted that Indonesia will be the seventh-largest economy in the world by 2030. Its rich cultural heritage and diversity, alongside its huge domestic market, mean there are exciting opportunities for the creative industries, but it still lacks official infrastructure (British Council, 2012).

Indonesia’s creative economy was officially designated by the government when Presidential Instruction number 6 was published in 2009. This indicated that there are 14 sectors to be developed, namely advertising; architecture; art market and antiques; crafts; design; fashion; film, video, and photography; interactive games; music; performing arts; publishing and printing; computer services and software; radio and television; and research and development (President of Republic of Indonesia, 2009). These sectors are quite similar to the sectors mentioned in the second UK DCMS’s creative industries mapping in 2001. The difference is that the Indonesian government inserted research and development as the 14th sector of creative economy development. The launch of the Presidential Instruction number 6 of 2009 was preceded by the Indonesian Creative

Previously, the speed of creative economy development was not fully supported by government regulation. Simatupang (2007) notes that there was no study of the economic impact of or specific policy for creative industries in Indonesia. It is also added by the British Council (2013a) that cultural policy and infrastructure were absent in many countries in Asia. A presidential instruction was issued to structure the creative industries’ action plan for 2009–2015 and to form a coordination team. Simatupang et al. (2012) add that the Presidential Instruction was followed up by the making of the ‘Creative Economy Development Plan 2009–2015’, ‘14 Creative Industries Subsector Development Plan 2009–2015’, and ‘Work Programme 2009–2010 National Creative Economic Development, Ministry of Trade’. These documents were the short-term form of the 2009–2025 plan.

In the Creative Economy Development plan 2009–2015, The Indonesian government expressed the belief that the creative economy could address short and medium basic problems, such as the post-crisis low economic growth, high rate of unemployment, high rate of poverty, and low competitive advantage of industries in Indonesia (Ministry of Trade, 2008). The Ministry of Trade identified that in general, the creative economy itself has five main problems, i.e. the quality and quantity of human capital as the actors in the creative industries; conductiveness to start and run the creative industries’ business; appreciation for Indonesia’s creative people and their creation; acceleration of information and communication technology (ICT); and the financial institution supporting the creative industries’ actors.

To make creative economy development more focused, the Indonesian government formed the Ministry of Tourism and Creative Economy through Presidential Decree number 92 on 21 December 2011 (President of Republic of Indonesia, 2011).
Furthermore, in 2012, a Memorandum of Understanding was signed between the UK and the Indonesian governments to develop the latter's creative industries by strengthening the exchange of information and best practices between the two countries. To implement the agreement, the British Council was appointed as the representative of the UK government (Indonesian & UK Governments, 2012).

Many countries have realized that the creative industries are important and strategic industrial sectors. The economic contribution of the creative industries to GDP and employment in several countries can be seen in Figure 2.1. This figure is useful to visualize the comparison between countries, even though the data provided is from different years.

![Figure 2.1. Creative industries’ contribution to GDP and employment (in percentage) (Simarmata et al., 2011)](image-url)

In the period of 2002–2010, Indonesia’s creative industries contributed 7.74 per cent to GDP and 7.7 per cent to the labour absorption. This shows the significant contribution of the creative industries in Indonesia (Simarmata et al., 2011). From 2010 to 2013, the average growth of Indonesia’s creative economy was 5 per cent per year. In 2013, the creative economy enjoyed a growth of 5.76 per cent, which was higher than the national economic growth. It was recorded that USD 3.23 billion in creative products were
exported and that exports grew by 3 per cent compared to the previous year (Ministry of Tourism and Creative Economy, 2014). This growth was dominated by SMEs (Wiryono et al., 2014; Ministry Coordinator for the Economy, 2015), and this domination was even led by micro-enterprises, which hire 1 to 4 workers and accounted for 48.94 per cent, followed by 35.10 per cent of small enterprises, which hire 5 to 19 workers, and 13.97 per cent of medium enterprises, which hire 20 to 99 workers (Indonesian Agency for Creative Economy, 2017a). The contribution of the creative economy to GDP increased slightly to 7.1 per cent in 2014, with workforce absorption of 12 million people and an export value of 5.8 per cent (Ministry Coordinator for the Economy, 2015). There was a dramatic increase in Indonesia’s creative product export global ranking from the 85th position in 2013 to the 25th position in 2014 (Desain Grafis Indonesia, 2015).

When the new president was elected in 2014, a central governmental organisation was also created to handle the creative economy. The President of the Republic of Indonesia established the Indonesian Agency for Creative Economy (President of Republic of Indonesia, 2015a). The aim of the establishment of this agency is to push and strengthen the creative economy in an effort to increase national economic growth. This agency has the following functions:

a. Formulation, stipulation, and implementation of policy in the field of the creative economy;
b. Programme design and implementation in the field of the creative economy;
c. Coordination and synchronization between planning and implementation of policy and programme in the field of the creative economy;
d. Providing technical guidance and supervision to the implementation of policy and programme in the field of the creative economy;
e. Implementation of guidance and giving support to all stakeholders in the field of the creative economy;
f. Implementation of communication and coordination with state institutions, ministries, non-ministry government institutions, regional government, and other related parties;

g. Implementation of other function assigned by the President related to the creative economy.

The task and strategic plan of the Indonesian Agency for Creative Economy show that the development of creative economy in Indonesia focuses on 16 sectors, i.e. (1) applications and games development; (2) architecture; (3) interior design; (4) visual communication design; (5) product design; (6) fashion; (7) film, animation and video; (8) photography; (9) crafts; (10) culinary; (11) music; (12) publishing; (13) advertising; (14) performing arts; (15) fine arts; and (16) television and radio (President of Republic of Indonesia, 2015b; Indonesian Agency for Creative Economy, 2017b). It can be seen that the sectors of creative economy development in 2015 differs from the policy in 2009. The creative economy development part of the 2015 policy focused on 16 sectors, while the 2009 policy had 14 sectors. Only seven sectors remain the same from 2009 at the time of this study (2019). These sectors are advertising, architecture, crafts, fashion, music, performing arts, and radio and television. The changes happened in several ways. The art market and antique sector, together with research and development, were removed. The design sector was divided into three sectors, i.e. interior design, visual communication design, and product design. Photography became an independent sector, separated from the film and video sector. The interactive games sector and computer services and software were united into a single sector, called games and applications. Two new sectors were identified in the new policy: culinary and fine arts. Furthermore, what had been the publishing and printing sector became only the printing sector. However, the change in creative economy sectors in Indonesia was not as drastic as the change in the UK. While there was an increase in the number of sectors in the Indonesian creative economy policy
from 14 to 16, the UK policy for creative industries decreased the number of sectors. In 2015, the sectors of creative industries in the UK became only 9 sectors, after consisting of 13 sectors since 2001. The decreasing number of sectors in the UK creative industries policy can be seen as due to the merging of related sectors. The UK government merged three design sectors into only one design sector, in which fashion was included. The film, animation, and video together with photography sectors were merged with the TV and radio sector. Music, performing, and visual arts were merged into one sector. The culinary sector can only be observed in Indonesia’s policy, while the museum, galleries and libraries sector is available in the UK policy. The change of sectors in Indonesia’s creative economy and the comparison between sectors in Indonesia and the UK are presented in Table 2.4 below.

Table 2.4.
The Change of Creative Economy Sectors in Indonesia and Comparison with the UK Creative Industries Sectors

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1. Advertising;</td>
<td>1. Applications and games developer;</td>
<td>1. Advertising and marketing;</td>
</tr>
<tr>
<td>3. Art market and antiques;</td>
<td>3. Interior design;</td>
<td>3. Crafts;</td>
</tr>
<tr>
<td>5. Design;</td>
<td>5. Product design;</td>
<td>5. Film, TV, video, radio, and photography;</td>
</tr>
<tr>
<td>6. Fashion;</td>
<td>6. Fashion;</td>
<td>6. IT, software, and computer services</td>
</tr>
<tr>
<td>7. Film, video, and photography;</td>
<td>7. Film, animation and video;</td>
<td>7. Publishing</td>
</tr>
<tr>
<td>10. Performing arts;</td>
<td>10. Culinary;</td>
<td></td>
</tr>
<tr>
<td>11. Publishing and printing;</td>
<td>11. Music;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>15. Fine arts;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>16. Television and radio</td>
<td></td>
</tr>
</tbody>
</table>

Source: President of Republic of Indonesia, 2009; President of Republic of Indonesia, 2015b; DCMS, 2015
Moreover, the Indonesian government has set a quadruple helix system as the driver of the creative economy development model in Indonesia, as mentioned in the previous chapter. The quadruple helix model, as suggested by Carayannis and Campbell (2009), is pictured as follows.

![Quadruple Helix Model](image)

Figure 2.2.
Quadruple Helix Model

The fourth helix also plays an active role in knowledge creation due to the insufficient condition of triple helix model for long-term innovative growth (Füzi, 2013).

### 2.3.3 Bandung’s Creative Industries

The emergence of creative industries has been increasingly widespread since the global economic crisis of 1997 (Setiadi et al., 2012). Maryunani and Mirzanti (2014) write that the 1998 Asian economic crisis pushed Bandung’s youth communities to produce their own lifestyle needs, such as music, clothing, books, and magazines, based on their own designs. Bandung was considered as the only city in Indonesia that interpreted the general understanding of the creative economy, focusing on knowledge creation and innovation (Fahmi et al., 2017).

In 2007, creative industries contributed 14.46 per cent to the Gross Regional Domestic Product (Bandung City Government, 2014). This was a rise from 12.8 per cent in 2002
and it increased slightly further to 14.6 per cent in 2010 (Suwarni, 2012). Almost 40 per cent of Bandung’s economic activities originate from creative industries (Global Indonesian Voices, 2015). However, Bandung still has business problems, such as inefficient government bureaucracy, government nepotism, access to finance and markets (Utami & Lantu, 2014), corruption, inadequate supply of infrastructure, and an inadequately educated workforce (Maryunani & Mirzanti, 2014).

The important factor in Bandung’s creative industries development is the communities (Fahmi et al., 2017). Besides Bandung’s creative cultural atmosphere, individual qualities and networking are the important factors for creative industry actors (Irawati, 2011). As the biggest community, Bandung Creative City Council (BCCF) uses a creativity-based educational approach and encourages private as well as community creative entrepreneurship (Tanzil, 2014). There was a significant increase in the number of art and culture communities, from 591 communities in 2006 to 876 communities in 2012. Communities were then selected as the policy direction for creative industries development (Bandung City Government, 2014). However, this ‘community’ term has different applications. In general, a community in Indonesia is often used to identify a group of people with the same interests or even an association. On the other hand, community, as the fourth helix of the quadruple helix system utilised by the Indonesian government as the driver of the creative economy development model (Ministry of Tourism and Creative Economy, 2014), is the ‘media-based and culture-based public’, as stated by Carayannis and Campbell (2009), and an independent, not-for-profit, member-based organisation which can combine funding from the government and the private sector, thus creating links between triple helix entities (Liljemark, 2004; Lindberg et al., 2014). Further discussion regarding types of community in the context of Indonesia is presented in the findings section.
In 2014, the city government defined the performance indicators to develop the creative economy in a general development plan. These indicators were policy, infrastructure, legal aspect, intellectual property rights and creative ethics, support systems, creative economy capacity and contribution (Bandung City Government, 2014).

2.3.4 Fashion Industry in Indonesia and Bandung

Before presenting the fashion industry in Indonesia, it is beneficial to understand the fashion industry from a global perspective. According to a report by UNCTAD and a UNDP report (United Nations, 2008), the world’s fashion industry goes beyond high fashion (haute couture), which is different from trendy design wear and ready-to-wear fashion. The current fashion industry also includes various kinds of fashionable products, such as jewellery, perfume, and accessories. The fashion industry covers handmade as well as mass-produced products. The fashion sector, as a branch of the creative industries, refers only to designer fashion in the UK DCMS creative industries mapping of 1998 (DCMS, 1998b). In this first mapping, the core activities of the fashion sector were clothing design, manufacture of clothes for exhibition, and consultancy and diffusion lines. It was also stated that peripheral activities were fashion photography, hair care and cosmetics, accessories, perfumes, and modelling. Related activities include magazine publishing, design education, graphic design, and product design, while the related industries are textiles, clothing manufacture, and high street clothes retailing. Fashion, as a sector of creative industries in the UK, is considered closer to the exploration of ideas rather than the fashion manufacturing and distribution process. The arrangement of fashion sector activities in the UK seems to be different from the arrangement in Indonesia. The fashion sector in Indonesia also includes manufacturing and distribution as core activities. It has been stated that most of the fashion industry in Indonesia is still toll manufacturing and it does not really involve creativity (Ministry of Trade, 2008).
Indonesia’s fashion industry has a long history. Textiles and garments, as the root of the fashion industry, were the most important industry in Indonesia’s industrialisation as well as its biggest labour absorption from 1920 to 1966 (Hill, 1991). Of all creative industry sectors, fashion was the leading contributor to GDP (Lidia et al., 2012; Suzianti et al., 2014) as well as to employment and the number of businesses. Creative industries in the fashion sector are the activities associated with the creation of clothes designs, footwear designs, and fashion accessory designs, the production of fashion items and accessories, line consulting of fashion products, and distribution of fashion products (Simatupang et al., 2012).

The Indonesian government was still establishing a solid foundation for the creative economy from 2015 to 2019. The development focus for 2015–2019 in the fashion sector was ready-to-wear products. To develop the fashion sector, in 2013 the quadruple helix entities composed the Indonesian Fashion Development Blue Print 2025. The vision is to develop Indonesia as one of the world’s fashion centres by optimizing local strengths, focusing on the ready-to-wear craft fashion concept (Ministry of Tourism and Creative Economy, 2014).

In Bandung, as in Indonesia generally, fashion is the dominant creative industries sector. Bandung is famous as the mode\(^4\) and textile centre of Indonesia (Simatupang, 2007) as well as for fashion design (Pratiwi & Damajani, 2008). The development of the creative industries in Bandung could be identified by the emergence of many distros (distribution outlets) in the late 2000s (Fahmi, 2014a). There were 1,200 fashion distros in 2010, representing the economic backbone of the city. In 2012, Bandung’s creative industries were dominated by distros, accounting for a total of 5,191 fashion businesses and employing 15,276 workers (Suwarni, 2012). Bandung’s clothing brands and distros have

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\(^4\) Behaviour or fashion style
been identified as an economic driving force to maximize Indonesia’s creative industries (Channel News Asia, 2012).

2.3.5 Branding in the Fashion Industry

A brand can be considered as an institution, as branding can be seen as an institutional work that inspires the market processes and economic arrangements of industries (Power & Hauge, 2008). The institutional role of brands is represented by the processes of negotiation and interaction between economic actors, particularly firms and consumers. The brand is the main institution in value creation and firm strategies. It is important to see a brand not only as the identifier of the product. There are six functions of a brand, namely, to differentiate products, as a risk management strategy, to gain economies of scale, to diversify into new markets and product groups, to enable organisational flexibility and change, and as a platform for inter-firm cooperation and alliance.

When fashion changed from a craft-oriented industry to a more diversified and fragmented industry, the importance of brands was realised by fashion entrepreneurs. A more mass-production-oriented fashion industry also pushed the utilisation of branding by the producers. When a brand grows in value and becomes more popular, the producer has an opportunity to diversify its core product, clothing, into other markets. A good value brand can also license its name or logo to gain more financial benefit. In the fashion industry, brand value is related to identity and level of exclusivity. However, it is difficult to balance the effort to build or maintain exclusivity with growing popularity, which lowers exclusivity. Brand meaning is socially negotiated through reciprocal processes. It cannot only be delivered by marketers since brand values are increasingly ideas that are more likely to be created by consumers and user communities.

The success of some brands was caused by their brand community strategy, a brand community being ‘a group of ardent consumers organized around the lifestyle, activities,
and ethos of the brand’ (Fournier & Lee, 2009:105). Fournier and Lee (2009) also emphasize that a strong community brings customer loyalty, marketing efficiency, and brand authenticity to a firm. To build an impactful brand community, there are seven aspects to be considered by a firm. First, the firm should treat the brand community as a business strategy, not a marketing strategy. Second, a brand community is built to serve the people in it, not to serve the business. Third, the community should be considered as the priority in making a strong brand, not just creating the brand to be followed by the community. Fourth, conflict can also make the community grow, not just the good things within it. Fifth, a strong community involves all its members. It does not only depend on its opinion leader. Sixth, online social networks are just a tool for community strategy, not the key factor. Seventh, the community cannot be managed and controlled very tightly by a firm.

2.4 Institutional Entrepreneurship in Creative Industries in Emerging Markets

The development of creative industries is conducted differently depending on the region (Moss, 2005; Prince, 2010; García-Tabuenca et al., 2011). For this reason, Kong et al. (2006), Pratt (2009), Aritenang (2013), Fahmi (2014a) and Cohen (2015) consider that creative industries policy cannot be fully transferred from developed to developing countries. Local institutions and contexts affect the success of creative economic policy (Fahmi, 2014a). The European experience proved that generic policies, such as cross-national or cross-industry, did not work (Pratt, 2009). Many aspects of creative industries need dedicated policymaking. Hence, closer analysis and an understanding of creative industries’ operation and their relationship with the rest of the economy and society are required.

Experiencing a low degree of institutionalization, creative industries – sometimes called cultural and creative industries – have to deal with uncertainty (De Vany, 2004; Dempster, 2008; Pratt, 2008; Peltoniemi, 2015), as agreed upon by policymakers, practitioners and
academics (Dempster, 2008). One reason for this is the unpredictable nature of demand and oversupply conditions (Dempster, 2008; Peltoniemi, 2015). Peltoniemi (2015) found three aspects of demand uncertainty, i.e. consumer tastes, product information, and the complexity of the production process. Another cause is the asymmetric nature of the relations which characterize many creative marketplaces. The high-risk investment opportunity also contributes to the uncertainty, coupled with relatively little or no support, training, or tools to manage risk as well as cultural and educational barriers (Dempster, 2008). These uncertainties open up opportunities for institutional entrepreneurship.

Furthermore, emerging markets are characterised by weak institutional arrangements. Tracey and Phillips (2011) state that a high degree of institutional uncertainty is a feature of emerging markets. Emerging markets are also characterised by numerous emerging fields. The combination between the uncertainties of creative industries and the low level of institutionalization in emerging markets is a starting point to explore institutional entrepreneurship from a different perspective. There is an opportunity to study the role of institutional entrepreneurs, and not only the role of entrepreneurs, in creative industries in emerging markets, consistent with Smallbone and Welter’s (2008) observation. The authors note that entrepreneurs’ actions to exploit the opportunities of low-level institutionalization have not been well explored. Bruton et al.’s (2008) review found that the exploration of institutional and cultural forces that moderate behaviour within and across organisations is critical to understanding entrepreneurship in emerging economies.

There is also a suggestion that the study of entrepreneurship needs to pay attention to the institutional context (Zahra & Wright, 2011), while Tracey and Phillips (2011) recommend studying emerging markets’ institutionalization and entrepreneurs’ roles in it. Wright et al. (2005) acknowledge the benefit of institutional theory in conceptualizing emerging markets, but there are few research projects about this topic on local start-ups in emerging economies. Nevertheless, since emerging markets’ low-level
institutionalization encourages institutional entrepreneurship, it is important to study institutional entrepreneurship in emerging markets. A more recent study by Eijdenberg et al. (2019) observed that entrepreneurial activities to tackle institutional voids in developing countries are still under-researched. In their study, Eijdenberg et al. took Mair and Marti’s (2009) study as their guidance. This shows that Mair and Marti’s study remains the seminal study on institutional voids. Therefore, up to the present, research on institutional entrepreneurship in emerging markets is still needed.

To investigate discussions on institutional entrepreneurship in creative industries in emerging markets, a review was conducted on this topic to give direction for this study and to establish the gaps in the literature. The procedure carried out in searching the relevant literature to support the previous other findings is outlined in Appendix B.

Several studies capture how actors handle the institutional environment in various fields or sectors, but few analyse institutional voids and ways to tackle them. As the unavailability, weakness or failure of the institutions needed for facilitating economic activity blocks several business practices, standards, procedures or other institutions whereby actors’ roles might be accomplished (Mair & Marti, 2009; Tracey & Phillips, 2011), institutional voids provide an opportunity for actors to play a role as institutional entrepreneurs; however, there have been few studies of such a role. To handle the underdeveloped institutional environment in emerging markets, a variety of strategies can be used by actors. Tracey and Phillips (2011) suggest that entrepreneurs in emerging markets should adopt institutional strategies, namely, institutional brokering, spanning institutional voids, and bridging institutional distance. In addition, Marquis and Raynard (2015) argue that institutional strategies in emerging markets are categorised into three sets, namely, relational, infrastructure-building, and socio-cultural bridging.

A recent study by Onsongo (2019) identified three types of institutional voids that entrepreneurs can exploit, i.e. market voids, policy voids, and social voids. It analysed
the institutionalization of social innovation in the Base of the Pyramid (BOP) context in Kenya. This study found that innovations gain legitimacy by exploiting the voids. Other studies that analyse the creation of institutions to tackle institutional voids are a study by Rao-Nicholson et al. (2017) that discusses spanning institutional voids by developing a new model of social innovation in India, and also a study by Liu (2011), which discovered the development of innovative business models to span institutional voids and revealed the negative and positive impacts of institutional voids on high-tech ventures’ innovation.

There are other studies that capture the effort of actors in creating or modifying institutions to span the institutional voids in emerging markets, although they do not explicitly use the term ‘institutional void’, for example, studies by Li et al. (2006), Almeida et al. (2014), and Yavuz et al. (2014). There has been discussion about institutional voids in other, more recent studies. Webb et al. (2019) developed another classification of institutional voids that consists of formal and informal institutional voids, while a study by Eijdenberg et al. (2019) found that institutional voids can be tackled by the interpersonal relationships of entrepreneurs, such as associations.

On the other hand, there is a challenge to the concept of institutional voids, as discussed by Olthaar et al. (2017). This paper analysed the tensions among institutions in the agricultural sector in Ethiopia. They state that from the perspective of Original Institutional Economics (OIE), there is no institutional void faced by entrepreneurs because of the existence of institutional fabric and the totality of institutions. However, the tensions between institutions within the institutional fabric and the resulting entrepreneurial behaviours can make the institutional environment an institutional swamp. This is a condition in which the actors are unable to act or are constrained in developing behaviours they would otherwise perform. Like institutional voids, an institutional swamp also provides opportunities for actors to play the role of institutional entrepreneurs to change the institutional fabric. Olthaar et al.’s study developed a
framework for studying the institutional fabric by classifying four types of institution: direct formal institutions, indirect formal institutions, direct informal institutions, and indirect informal institutions.

A noticeable feature of extant studies that utilise institutional theory in emerging markets is that they predominantly focus on a single country. In a search for studies of institutional entrepreneurship in creative industries in emerging markets, only 13 out of 52 were found to analyse more than one country. It is clear that there are differences in handling the institutional environment between developed countries and emerging markets. Hence, Bruton et al. (2010) suggest carrying out studies of multiple countries to examine the wider applicability of institutional settings. Therefore, some scholars recently carried out comparative studies between countries, although only three studies focus on this aspect. A study by Morisson and Doussineau (2019) compared the institutional arrangements of regional innovation agencies in the Netherlands, Spain, and Colombia. Bakir and Jarvis (2017) analysed policy entrepreneurs as institutional entrepreneurs who translate policy into formal rules in Turkey and Australia. Jolly et al. (2016) compared institutional strategies in wind energy development between Finland and India by applying the concept of institutional work, which comprises political work, technical work, and cultural work.

Regarding the actors, there is a concept of the paradox of embedded agency within institutional theory (Garud et al., 2007). This is the notion that the contributions of marginal actors in creating and championing new practices often lack the power to transform the institutions. This is relevant to one of the three positions of the actors in a given field mentioned by Hardy and Maguire (2008): actors who do not have power but occupy a subject position. However, research to analyse the less powerful actors is still underdeveloped, although the significant contribution of actors who play the role of institutional entrepreneurs can be found in the studies by Mair and Marti (2009), Yavuz et al. (2014), and Jolly et al. (2016).
From 2001, when the UK DCMS published the second Creative Industries Mapping Document and the term creative industries became widespread in emerging markets, until 2019, the utilisation of institutional theory in the study of creative industries in emerging markets has not been explored well. Only four papers were found that examined the creative industries in emerging markets utilising institutional theory. The first one is a study by Liu (2011), which explicitly refers to the existence of institutional entrepreneurs. The CEOs of nine Chinese firms, which can be categorised as software and application firms, were interviewed in the study. This category is part of the creative industries’ sector. The paper revealed that institutional voids have negative and positive impacts on high-tech ventures’ innovation. On the one hand, guanxi and government involvement help firms to face the negative impacts of institutional voids. On the other hand, institutional voids offer the opportunity for firms to develop innovative business models. Hence, the role of institutional entrepreneurs could be identified.

Moreover, three other papers studied the creative industries as one of several focuses in emerging markets. Miller et al. (2009) note that 30.6 per cent of their sample are computer and computer-related firms, which most likely includes software and computer services. They compared how family business and non-family business technology firms cope with the institutional voids they face. Organisational Commitment to Employee (OCE) or ‘community’ and connections commonly found in family businesses are recognised as beneficial aspects to fill the institutional voids. In another study, Tracey and Phillips (2011), when explaining institutional strategies, discussed clothing retail as an example of the implementation of the strategy of bridging institutional distance. Another study is Zilber’s (2007) study, which analysed the high-tech industry, including the software and computer applications sector as a part of this industry. This paper examined stories as a medium of institutional entrepreneurship. The modification of the established

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5 Chinese social relationships that bring family norms into the business setting.
institutional order was proposed by actors through stories. This study focused on micro-processes of sense-making and found that by telling stories, institutional entrepreneurs can frame, justify, and legitimate an institutional order. This study also found that institutional entrepreneurs can collaborate and compete with each other at the same time. From all these four papers, it can be seen that the software and computer application sector dominates the field of the study of creative industries in emerging markets that have utilised institutional theory in the last eight years. From these four papers, it can also be seen that creating and modifying institutions was discussed only in Liu’s (2011) and Zilber’s (2007) papers. Both of these captured institutional entrepreneurship in creative industries in emerging markets. However, only Liu’s study focused on a sector of creative industries as its sole object of study. It is found that Liu (2011) and Miller et al. (2009) observed the same field of business, i.e. technology, and also examined the same topic, i.e. institutional voids. Nevertheless, they differ in focus; whereas Liu’s voids are related to intellectual property rights protection, regional policy priority, marketization development and individual capabilities, Miller’s voids are related to more general aspects, such as lack of capital, product, and labour institutional infrastructures. These two papers both mention that social relationships are beneficial in dealing with institutional voids in emerging markets. Social relationships or social linkages may include firms, employees, government, universities, other companies, research organisations, consultant, legal experts, and technical experts. From the institutional perspective, the main difference between these two papers is that Liu looks specifically at handling the institutional voids by creating institutions, while Miller et al. only analyse the handling of institutional voids. Although studies are found to discuss institutional-related topics in emerging markets and one paper, Liu (2001), particularly discusses institutional entrepreneurship in a creative industry sector, software and
computer applications, in emerging markets, institutional entrepreneurship in creative industries in emerging markets has not been explored well.

2.5 Conceptual Framework

Based on the literature review, a framework is constructed to guide this study. The following framework is the synthesis of the explanation in the previous sections to show the need for this study as well as to provide guidance in conducting this study. The framework begins from the creative industries, specifically the fashion industry, which experience uncertainty and a low level of institutionalization, as discussed in section 2.3.2. Moreover, it was observed in section 2.2.2. that uncertainty and a low level of institutionalization are also found in emerging markets, which is represented by Bandung, Indonesia, in this study. Furthermore, the rationale of this study starts from the conditions of the creative industries and emerging markets, which simultaneously show uncertainty and a low level of institutionalization. Although the creative industries’ entrepreneurs in Bandung face uncertainty and a low level of institutionalization, they can survive and make their businesses sustainable (discussed in section 1.1).

The institutional forces, besides cultural forces, that moderate behaviour within and across organisations are critical in understanding entrepreneurship in emerging economies, as explained in section 2.2.1. Hence, institutional entrepreneurship is beneficial to investigate how the creative industries’ entrepreneurs in Bandung cope with uncertainty and the low level of institutionalization. Institutional forces not only constrain but also enable entrepreneurship. Therefore, entrepreneurs can shape their institutional environment as well as. To improve this environment, entrepreneurs in emerging economies have a significant potential to become institutional entrepreneurs. Furthermore, some studies that analyse institutional entrepreneurship have suggested that this topic be analysed further.
Since institutional entrepreneurship will be used to study creative industries in emerging markets, it is important to review the relevant literature regarding institutional entrepreneurship in creative industries in emerging markets. Based on the literature review, only one study (Liu, 2011) analysed this theme. However, the sector of the creative industries discussed in Liu’s study was the software and application sector, not the fashion sector. Therefore, studying institutional entrepreneurship in creative industries in emerging markets by highlighting the fashion sector in Bandung, Indonesia, provides an opportunity to make a significant theoretical contribution. This study includes the quadruple helix model to examine the fashion industry’s actors as it is utilised by the Indonesian government as the driver of creative economy development. The conceptual framework is illustrated in figure 2.3 below.

2.6 Conclusion

Based on the literature reviewed, the creative industries in emerging markets need entrepreneurial actions to handle the low level of institutionalization. This kind of
situation requires more than just the usual type of entrepreneurs as it needs the role of institutional entrepreneurs who shape the institutions. Since several studies found the importance of the quadruple helix in creative industries development, it is also important to involve it in the study of institutional entrepreneurship in creative industries in emerging markets. By focusing on the fashion sector, the discussion of this topic advances the understanding of creative industries development from the institutional perspective as well as institutional entrepreneurship in emerging markets.

Although there are only a few studies of institutional strategies in creative industries in emerging markets, social relationships or social linkages were identified as an important factor to tackle the institutional environment. The papers which cover institutional entrepreneurship, regardless of their field of study, are still at a minimum compared to the papers that discuss the institutional environment or institutional voids without creating or shaping institutions. With regard to the actors, companies or firms are the dominant institutional entrepreneurs, although institutional entrepreneurs from social entrepreneurs, government or NGOs have also been found. The reviewed papers adequately represent the world’s emerging markets in terms of their various research locations.

The only paper that particularly studies the creative industries from the institutional entrepreneurship perspective in emerging markets provides an opportunity for further study. In addition, since this review has frequently found the discussion of the roles of business actors and their strategies to cope with the institutional environment, proposing an explanatory framework of the institutional entrepreneurship in creative industries in emerging markets is an important direction for future research. This framework clearly visualizes the institutional environment experienced, who the institutional entrepreneurs are, how the institutional entrepreneurs cope with the institutional environment, and what is institutionalized by these institutional entrepreneurs.
CHAPTER 3. METHODOLOGY

3.1 Introduction

As addressed in the review of the literature, there are only a few studies of institutional entrepreneurship in creative industries in emerging markets. Hence, to examine who the institutional entrepreneurs are, to explore how the institutional entrepreneurs cope with the institutional environment, and what is institutionalized by the institutional entrepreneurs, a methodology was constructed for this study. This chapter discusses the study’s methodology, which consists of the research philosophy, research approach, research design, selection of participants, data gathering, reliability and validity, data analysis, and ethical considerations.

This chapter also discusses the implementation of data gathering, including the preparation and the process of the interviews as well as the data analysis process. The documents prepared, obstacles faced, and details of participants are further explained in the data-gathering section. Furthermore, the data analysis section presents the process of iteration from data immersion, data organisation, preparation, translation, and coding, to the synthesizing and meaning-making step.

3.2 Research Philosophy

Undertaking social science research requires defining the research paradigm and the ontology, epistemology, methodology and methods used in the research process. Guba (1990:17) defines a paradigm or worldview as “a basic set of beliefs that guide action”. According to Creswell (2014:6), there are four widely discussed worldviews in terms of the general philosophical orientation about the world and the nature of research that the researcher brings to a study, i.e. post-positivism, constructivism, the transformative paradigm, and pragmatism. Post-positivism is sometimes called the scientific method. The researchers who utilise this paradigm adopt a deterministic and reductionistic philosophy in conducting research. They also bring a quantitative tendency to their study.
Constructivism is seen as an approach to qualitative research. It relies on participants’ views of the situation and develops subjective meanings of their experiences. The researchers tend to generate theory through this worldview. The transformative paradigm appears to address the issues of marginalized individuals, power and justice, discrimination, and oppression. The orientation of this worldview is change. Lastly, pragmatism analyses the consequences of actions. The researchers of this worldview have an orientation to real-world practice and the approach is problem-centred.

Another classification of paradigms explained by Tracy (2013:39-46) proposes positivist and post-positivist, interpretive, critical and post-modern/post-structural paradigms. These paradigms have some similarities with Creswell’s (2014:6) abovementioned typology. Positivist researchers assume that a single true reality already exists in the world and is waiting to be discovered, while post-positivists see the inherent biases and weaknesses of researchers and their methods. The interpretive paradigm, which is also known as constructivism or constructionism, believes that reality can be explained. Moreover, the critical paradigm aims to investigate exploitation and unfairness, which are mediated by power relations. In the last paradigm, post-modernism researchers view reality as constantly shifting, meaning-growing and being interdependent with other meanings.

After considering the available paradigms, this study adopts the social constructionist assumption, which is rooted in the interpretive paradigm. The idea of social constructionism is that social realities and ourselves are closely interwoven as each is shaped by others in everyday interactions (Cunliffe, 2008). By taking social constructionism as the selected paradigm, researchers pay more attention to how the research phenomenon is seen and how knowledge is constructed (Harper, 2011:6). Based on this paradigm, the researcher explored how the fashion industry in Bandung achieved its success in the period when no specific policy was applied in an underdeveloped
institutional environment and what was done by the fashion industry actors to move the sector. Social constructionists prefer localised claims, and this is reflected in the exploration of institutional entrepreneurship in the creative fashion industry in the emerging market of Bandung, Indonesia, in this study. In social constructionism, concepts are built by individuals’ experiences and their daily interactions in society. Willig (2012:12) notes that social constructionism focuses on knowledge creation and its resources and materials. In the institution literature, Scott (2001:137) states that social constructionists reach the most widespread and extensive version of institutions, whereby institutions are indicated as composing the rules, drawing up the situations, and describing the players. The main actors’ identities and interests are socially determined and expected to differ across time and place.

Social constructionism has been used by Jun (2012) in the field of public administration, and it is believed to bring adequate results to the study. How actors in a social situation respond to the dynamic and practical concerns of an organisation, with open minds in exploring possibilities, can be better understood by applying a social constructionist approach. Previously, the functionalist and positivistic approach was very popular in the twentieth century in the field of public administration. The goal of this approach is to predict and explain social phenomena by generating explicit knowledge, while the tacit knowledge is still unclear. Hence, the social constructionist approach is needed to explore the qualitative and hidden aspects. Jun’s study presents that the efficiency and productivity of the public administration are not only achieved through the scientific method and a set of management principles. There are several qualitative aspects besides accounting and budget control, organisation resources’ allocation, planning, performance measurement, and system analysis. Therefore, Jun’s study inspires this study to explore the implicit aspects of creative industries in emerging markets by focusing on the institutional entrepreneurship theme. By applying a social constructionist approach, this
study reveals several actions taken by the actors in the field that went beyond quantitative measurements, such as profit loss analysis, return on investment, or customer satisfaction index. By utilising this approach, Jun’s study was able to explore public participation and collaboration in analysing public administration. Therefore, the approach is considered beneficial to explore actions taken by powerless actors, in addition to powerful actors, in creative industries development in this study.

The social constructionist assumption has a connection with the ontological position of this research. Ontology concerns beliefs about physical and social reality. Institutional entrepreneurship in the creative fashion industry in an emerging market economy, as the social reality, is socially constructed. Social reality is objectified and focuses on social facts, institutional practices and symbolic products (Cunliffe, 2008). Social construction is also a power-embedded process. The regulative, normative and cultural-cognitive institutions analysed in this study experienced some power infusion in their creation. Social constructionism focuses on the product and the process of social construction. Hence, the conclusions of research underpinned by this paradigm explain the process of socially constructing reality and the impact of that construction on the participants. Furthermore, this study’s contribution to developing an explanatory framework of institutional entrepreneurs’ strategies of the fashion industry in an emerging market economy is in accordance with the social constructionist paradigm.

After the ontology, the next thing to consider is the epistemology. Epistemology addresses beliefs about knowledge. Denzin and Lincoln (2005:22) state that epistemology explains the relationship between the researcher and knowledge. Regarding epistemology, this research considers knowledge to be subjective and constructed. Epistemological choice and paradigms are determined by the research questions and directly inform the research methodology. An institution is one example of a social construction at the macro-level (Cunliffe, 2008). Meanings are negotiated by people
within a social situation. Thus, knowledge is a discovery of individuals’ surroundings, sense-making process, and collective meaning negotiation. The focus on searching for the patterns of the construction process at the macro level classifies this research into social constructionism (Cunliffe, 2008). These patterns are reflected in the institutional entrepreneurship framework developed as the result of this research.

3.3 Research Approach

There are two main types of relationship between theory and the research: Whether theory guides the research (the deductive approach) or whether the theory is a result of the research (the inductive approach) (Bryman & Bell, 2007:14). This research used an inductive approach since this research builds a framework of institutional entrepreneurs’ strategies based on the data gathered. Tracy (2013) states that meanings emerge from the field in the inductive approach. The steps in this approach begin with observing specific interactions; this is followed by analysing the observations to determine the patterns; creating temporary claims to be tested again in the field; and establishing theory from the conclusion. Although qualitative research can utilise inductive and deductive approaches, the inductive approach is generally used in qualitative research.

Saunders and Lewis (2018:113) mention that induction is a ‘bottom-up’ approach to theory development. Like Tracy, they explain that the inductive approach starts from specific observations, investigates patterns, and ends with some greater generalisations. In this approach, the understanding of meanings is reached from the events that were experienced by individuals.

3.4 Research Design

As a study that discovers information on a topic that is not clearly understood by the researcher, this study can be classified as an exploratory research in Saunders and Lewis’s (2018:115) classification. To develop a viable theoretical framework, an exploratory research is necessary when some facts are known but more information is needed
As found in the literature review, institutional entrepreneurship in creative industries in emerging markets is still a scarcely studied topic and it is appropriate to be analysed through an exploratory study. Exploratory research is appropriate for new phenomena and aims to obtain new insights. Its focus is initially broad and becomes narrower as the research advances. This is related to the inductive approach of this research. Tracy (2013:81) mentioned that exploratory researchers do not know what they will find in the field. They maintain their curiosity, although they do not know exactly what they are looking for. They utilise several tools to guide their research and apply the method to structure their exploration.

This explorative research was bounded to a single geographical site (Bandung, the capital city of West Java province of Indonesia) and a creative industries’ sector (fashion). Since Bandung is also famous for its fashion factories that produce global fashion brands, it is important to ensure this study did not include this kind of fashion company. Hence, the focus of the creative fashion industry in this study was on companies that design fashion products by themselves, i.e. companies that include creativity from the beginning of the product creation process.

3.5 Selection of Participants

To ensure the data sources were relevant to this study, the method used to select the participants in this study was the purposive method. The purposive method selects groups or categories which are relevant to the research questions, theoretical position, analytical framework, analytical practice and the explanation building, as the most important considerations (Mason, 2002:121). By selecting a small number of participants, this method is used specifically to collect qualitative data (Saunders & Lewis, 2018:145). This method is applied because the participant is crucial to addressing the research aims and objectives. In view of the in-depth nature of the study, only small samples of individuals and groups were chosen. The decisions on participants’ selection were influenced by the
extent of precision desired, the acceptable risk in predicting the level of precision, the amount of variability in the population, and the constraints of cost and time. Sample sizes between 30 and 500 are considered effective, although a qualitative study typically uses a small sample size due to its intensive nature (Sekaran, 2003:296). Participants were selected on the basis of their important roles in the development of the creative fashion industry in Bandung.

The research participants chosen were the stakeholders of the creative fashion sector in Bandung. Since the Indonesian government set the driver of the creative economy development model in Indonesia as the quadruple helix model (Ministry of Tourism and Creative Economy, 2014), this study used this model to identify potential informants from among academics, business people, the government, and communities. The choice of the following participants was also based on their specific types of experience, as suggested by Mason (2002:122). These participants are anonymised for ethical reasons.

Fifteen organisations of quadruple helix entities were chosen to be studied. The participants are described below.

1. Academics, consisting of a creative economy researcher at Institute A; a creative economy researcher at University B; and a creative economy researcher at Institute C.

2. Business people, consisting of the owner and management team of the pioneer of the clothing industry in Bandung, which was founded in 1980 and produces mass production products; this company is anonymised as Company C. The owner and management team of the clothing company, which was founded in 1997 and produces mass production products; this company is anonymised as Company O. The owner and management team of a Muslim women’s fashion company, which was founded in 2013 and produces both deluxe and mass production products; this company is anonymised as Company M. The owner and management team of a clothing
company, which was founded in 1997 and produces mass production products; this company is anonymised as Company B. The owner of a Muslim women’s fashion company, which was founded in 2011 and produces mass production products; this company is anonymised as Company N and this participant was interviewed in an unplanned meeting. Finally, the owner of a clothing company, which was founded in 2003 and produces mass production products; this company is anonymised as Company E and this participant was chosen after analysing the second finding. The data gathered from this participant was only used to complete the finding analysis, which needed clearer data about the object of the second finding.

3. Government officials, who are: a top-level official at office K; a top-level official at office E; and the chair of local committee K.

4. Organisations that have the characteristics of communities, consisting of two leaders at a fashion entrepreneurs’ association, which is anonymised as Association K; the vice-chairman of a local business people’s association, which is anonymised as Association C; and the former manager of a local creative forum, which is anonymised as Forum B.

These participants were selected to explain the sense-making process in the creative fashion industry. In the social constructionist paradigm, the research participants make sense of their surroundings at an individual and a social level. Regarding the creative fashion industry in Indonesia, the stated social level is reflected by the quadruple helix. Therefore, the participants of this study included academics, business people, government officials, and communities’ representatives. Specifically, for the business people entity, potential interviewees from each case company (the specific number depended on the company’s organisational structure and the field conditions) are board of directors; suppliers; vendors; distributors; artists/designers; and employees.
3.6 Data Gathering

This subsection is named data gathering, not data collection, in consideration of Mason’s (2002:52) argument that good qualitative research is not about collecting the data (excavation), but rather generating the data (construction).

3.6.1 Choice of Strategies and Methods

This research focuses on an issue or concern of institutional entrepreneurs’ strategies in the creative fashion industry in an emerging market economy, as discussed in section 1.2, by examining multiple bounded cases to illustrate the issues and generate an explanatory framework of the institutional entrepreneurship strategies at the end of the research. This study uses case study method because the research questions seek to explain some present circumstances and require an extensive and in-depth description of some phenomena (Yin, 2014:4) of institutional entrepreneurship in the fashion industry in an emerging economy. The case study is also chosen because this study focuses on contemporary events and the researcher does not require control over actual behavioural events. The case study is chosen after analysing the type of research question posed, the extent of control a researcher has over actual behavioural events, and the degree of focus on contemporary as opposed to entirely historical events of this study (Yin, 2014:9). It is believed that utilising multiple case studies offers more benefit in concluding the issue rather than a single case study since by utilising multiple case studies, one case can reinforce and fill the gap left by another case (Yin, 2009:61-62). In particular, models of proven practices are good candidates for a multiple case studies method. According to Creswell (2007:73), “case study research is a qualitative approach in which the investigator explores a bounded system (a case) or multiple bounded systems (cases) over time, through detailed, in-depth data collection involving multiple sources of information, and reports a case description and case-based themes”.

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This research examined four companies in Bandung that engage in the creative fashion industry. They represent deluxe and mass production, the two categories in the volume-based classification of Indonesia’s fashion development (Ministry of Tourism and Creative Economy, 2014), and were able to generate data for the period of the economic crisis in 1997–1998 (Setiadi et al., 2012; Maryunani & Mirzanti, 2014). The selection of these companies also represents the two types of production strategy, namely make-to-stock and make-to-order. These multiple cases also reflect what Cunliffe (2008) calls the epistemological interest in social construction at the macro level within broader historical contexts. The companies as cases studied are shown below:

1. Company C. The pioneer of the clothing industry in Bandung, which was founded in 1980 and produces mass production products. The production strategy of this company is make-to-order and make-to-stock.

2. Company O. A clothing company which was founded in 1997 and produces mass production products. The products of this company are distributed through street shops. This company runs a make-to-stock production strategy.

3. Company M. A Muslim women’s fashion company which was founded in 2013 and produces both deluxe and mass production products. This company has a make-to-stock production strategy.

4. Company B. A clothing company which was founded in 1997 and produces mass production products. The products of this company are distributed in a range of channels, such as street shops, department stores, and malls/shopping centres. The production strategy of this company is make-to-stock.

Two additional companies were involved in this study, but they are not considered as cases. From each of these companies, Company N and Company E, only one participant was interviewed to enrich the gathered data.
This research explored multiple bounded cases over time through detailed, in-depth data generation involving multiple sources of information such as interviews, documents and reports as well as audio-visual material. Case studies are preferred when ‘how’ and ‘why’ questions are posed and they allow the researcher to retain the meaningful characteristics of real-life events (Yin, 2014:4). However, there are several problems of case studies, such as limited generalizability, reliability, and researcher bias (Carney et al., 2008).

In-depth interviews were selected as a data-gathering approach following Mason’s (2002:62) identification of the following advantages: Interviewees are free to express their thoughts, and they have the greater possibility to state their perceptions in a more free-flow condition. The fluid and flexible structure of the interview opens the chance to build unexpected themes during it, and the relevant context is brought into focus, enabling the development of situated knowledge.

In conducting interviews, as suggested by Cunliffe (2008) for social constructionist research, the researcher noticed the surroundings of the participants, which were discovered in the sense-making process. The result of each interview has connections with the other results since social constructionism emphasizes collective meaning negotiation. Some documents were also analysed to support the data gathered from the interviews. The rationale for documentary analysis is based on the understanding that social realities can be traced through artefacts and stories. In-depth interviews and documentary analysis are considered suitable for the selected paradigm. They both offer a reflection of participants’ experiences and enable an analysis of textual and symbolic material, interactions, and practices within the organisation. The documents studied in this research are shown below (a full list of documents is presented in Appendix H): government documents, including policy, regulation, law, report; company/organisation documents, including company/organisation profile and procedures; news articles regarding creative fashion industry; and blog posts, social media, and YouTube videos.
The main data gathering was carried out from October to December 2016. To develop guidance for the interviews, as shown in Table 3.1, some references were used to help the researcher in addressing the research questions; this table also presents the data sources and the methods utilised to gather the data.

<table>
<thead>
<tr>
<th>Research Question</th>
<th>References used to help addressing the questions</th>
<th>Data Sources and Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What is the institutional environment faced by the fashion industry actors?</td>
<td>Characteristic of emerging markets (Tracey &amp; Phillips, 2011)</td>
<td>Creative industries actors, classified as the entities of the quadruple helix: in-depth interviews with academics, business people, government officials, and communities’ representatives. Documentary analysis of government documents, online news media, company documents, blog posts, YouTube videos. (A full list of documents is presented in Appendix H)</td>
</tr>
<tr>
<td>3. What is the nature of institutional work carried out by the institutional entrepreneurs in Bandung’s fashion industry?</td>
<td>Three pillars of institutions (Scott, 2001)</td>
<td></td>
</tr>
</tbody>
</table>

3.6.2 Preparations and Gaining Access

Given that the case of this study is in Bandung, Indonesia, the data gathering was conducted in Bandung. Before gathering the data, several activities were carried out and documents were prepared to meet the research conditions and ensure the smoothness of the data gathering process. Eight activities were carried out to prepare the data gathering
Table 3.2.
Data Gathering Preparation Activities

<table>
<thead>
<tr>
<th>No.</th>
<th>Activities</th>
<th>Things to be prepared</th>
<th>Related party(ies)</th>
</tr>
</thead>
</table>
| 1   | Research Ethics documents completion      | 1. A Proforma for Staff and Students Beginning a Research Project (can be found in Appendix D)  
2. Request consent letter (can be found in Appendix E)  
3. Consent form (can be found in Appendix F)  
4. Interview guide (can be found in Appendix G) | 1. Supervisor  
2. Hull University Business School Research Ethics Committee |
| 2   | Personal Travel Plan and Risk Assessment documents completion | 1. Personal Travel Plan  
2. Risk Assessment | 1. Supervisor  
2. Director of Health and Safety - University of Hull |
| 3   | Consent request submission                | Request Consent letter                                                              | 1. Contact person  
2. Prospective participant |
| 4   | Consent form preparation                  | Consent form                                                                        | Prospective participant |
| 5   | Research leave submission                 | Research Leave Form                                                                  | 1. Supervisor  
2. Visa Compliance Team, University of Hull |
| 6   | Travel documents preparation              | 1. Passport  
2. Ticket                                                                                | Airline agent |
| 7   | Recording device selection                | 1. Product review  
2. Digital audio recorder                                                               | 1. Supervisor  
2. IT staff – University of Hull |
| 8   | Participants confirmation                 | 1. List of participants  
2. Interview Schedule                                                                   | Participant |
3.6.3 Conducting the Interviews

After all the requirements and documents were prepared and approval was granted, the researcher went to Bandung, Indonesia, and the data gathering began. Data gathering was conducted by interviewing 36 participants. The selected participants included three academics, three persons from government agencies, four persons from community-like organisations, and 26 persons from the business entity. Table 3.3 below shows the details of the study participants with their helix, position, organisation, and gender.

<table>
<thead>
<tr>
<th>No</th>
<th>Helix</th>
<th>Position/Role</th>
<th>Organisation</th>
<th>Sex</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Academic</td>
<td>Academic</td>
<td>Institute A</td>
<td>Female</td>
</tr>
<tr>
<td>2</td>
<td>Academic</td>
<td>Researcher</td>
<td>University B</td>
<td>Female</td>
</tr>
<tr>
<td>3</td>
<td>Academic</td>
<td>Researcher</td>
<td>Institute C</td>
<td>Female</td>
</tr>
<tr>
<td>4</td>
<td>Business</td>
<td>Owner</td>
<td>Company C, age of organisation: 37 years</td>
<td>Male</td>
</tr>
<tr>
<td>5</td>
<td>Business</td>
<td>Business Development Manager</td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>6</td>
<td>Business</td>
<td>Production</td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>7</td>
<td>Business</td>
<td>Design</td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>8</td>
<td>Business</td>
<td>Marketing</td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>9</td>
<td>Business</td>
<td>Owner</td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>10</td>
<td>Business</td>
<td>PR &amp; Promotion Manager</td>
<td>Company O, age of organisation: 20 years</td>
<td>Male</td>
</tr>
<tr>
<td>11</td>
<td>Business</td>
<td>Store Manager</td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>12</td>
<td>Business</td>
<td>HRD</td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>13</td>
<td>Business</td>
<td>Production</td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>14</td>
<td>Business</td>
<td>Graphic designer</td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>15</td>
<td>Business</td>
<td>Owner &amp; Creative Director</td>
<td>Company M, age of organisation: 4 years</td>
<td>Female</td>
</tr>
<tr>
<td>16</td>
<td>Business</td>
<td>Owner &amp; Managing Director</td>
<td></td>
<td>Female</td>
</tr>
<tr>
<td>17</td>
<td>Business</td>
<td>Operation Manager</td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>18</td>
<td>Business</td>
<td>Assistant Designer</td>
<td></td>
<td>Female</td>
</tr>
<tr>
<td>19</td>
<td>Business</td>
<td>Production Vendor</td>
<td></td>
<td>Female</td>
</tr>
<tr>
<td>20</td>
<td>Business</td>
<td>Distribution Vendor</td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>21</td>
<td>Business</td>
<td>Owner &amp; Product Director</td>
<td>Company B, age of organisation: 20 years</td>
<td>Male</td>
</tr>
<tr>
<td>22</td>
<td>Business</td>
<td>HR and GA Head</td>
<td></td>
<td>Female</td>
</tr>
<tr>
<td>23</td>
<td>Business</td>
<td>Design</td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>24</td>
<td>Business</td>
<td>Planning Head</td>
<td></td>
<td>Female</td>
</tr>
<tr>
<td>25</td>
<td>Business</td>
<td>PPIC Head</td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>26</td>
<td>Business</td>
<td>Merchandise &amp; Promotion Head</td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>27</td>
<td>Business</td>
<td>Sales and Store Operation Head</td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>28</td>
<td>Government</td>
<td>Head</td>
<td>Government Office K</td>
<td>Male</td>
</tr>
<tr>
<td>29</td>
<td>Government</td>
<td>Head</td>
<td>Government Office E</td>
<td>Female</td>
</tr>
<tr>
<td>30</td>
<td>Government</td>
<td>Chair</td>
<td>Committee K</td>
<td>Female</td>
</tr>
</tbody>
</table>
Table 3.3 shows that participants were predominantly male, with 24 males and 12 females out of a total of 36 participants. Ten participants were added to the initial list using the snowballing technique. These were one participant from Association K and another nine from three different companies. The additional participants were the business development manager of Association K, the co-owner of Company N, the owner of Company E, and seven persons from Company B. The business development manager of Association K was introduced when the researcher interviewed the chairman of the same association. Considering his position in the association and his more than 15 years of experience in the fashion industry, an appointment for an interview was made in the introduction meeting. The second additional participant was a co-owner as well as a director of a leading Muslim women’s fashion company in Bandung. This lady, the co-owner of Company N, joined by chance when an interview was taking place with a distributor of a participant company. She had an appointment with the distributor and jumped in when the interview had just begun. Since the information she provided was considered beneficial for this study, she was also been listed as a participant after she had given her consent. The third additional participant was the owner of Company E, who was interviewed to complete the data analysis for the second finding. He was recorded as the last participant for this research.

Moreover, seven additional participants came from the same company, Company B, and were added to the list of participants. This company completed the range of the companies studied since it had wider distribution channels than the other three companies. Company

<table>
<thead>
<tr>
<th>No</th>
<th>Helix</th>
<th>Position/Role</th>
<th>Organisation</th>
<th>Sex</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>Community</td>
<td>Chairman</td>
<td>Association K</td>
<td>Male</td>
</tr>
<tr>
<td>32</td>
<td>Community</td>
<td>Vice Chairman</td>
<td>Association C</td>
<td>Male</td>
</tr>
<tr>
<td>33</td>
<td>Community</td>
<td>Business Development Manager</td>
<td>Association K</td>
<td>Male</td>
</tr>
<tr>
<td>34</td>
<td>Community</td>
<td>Project Manager</td>
<td>Forum B</td>
<td>Male</td>
</tr>
<tr>
<td>35</td>
<td>Business</td>
<td>Co-owner</td>
<td>Company N</td>
<td>Female</td>
</tr>
<tr>
<td>36</td>
<td>Business</td>
<td>Owner</td>
<td>Company E</td>
<td>Male</td>
</tr>
</tbody>
</table>
B sold its products in street shops, department stores, and malls/shopping centres. The addition of Company B brought the number of cases studied to four, reflecting a wide range of creative fashion companies, illustrating the situation of Indonesia’s fashion industry.

The main data gathering took place from October to December 2016. The total time duration for all the interviews was 19 hours 22 minutes and the average time of each interview was 33 minutes. Due to the requirement to complete the data analysis for the second finding, one interview with the owner of Company E was conducted online, in November 2018, through a WhatsApp call with a duration of 33 minutes. The complete list of the interview dates and the time of the interviews is presented in Table 3.4 below.

**Table 3.4**  
Time of the Interview

<table>
<thead>
<tr>
<th>No</th>
<th>Position/Role</th>
<th>Organisation</th>
<th>Day</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Researcher</td>
<td>Institute A</td>
<td>Friday</td>
<td>11/11/2016</td>
<td>08.30</td>
</tr>
<tr>
<td>2</td>
<td>Researcher</td>
<td>University B</td>
<td>Wednesday</td>
<td>16/11/2016</td>
<td>15.00</td>
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<tr>
<td>3</td>
<td>Researcher</td>
<td>Institute C</td>
<td>Monday</td>
<td>07/11/2016</td>
<td>14.00</td>
</tr>
<tr>
<td>4</td>
<td>Owner</td>
<td></td>
<td>Friday</td>
<td>04/11/2016</td>
<td>10.00</td>
</tr>
<tr>
<td>5</td>
<td>Business Development Manager</td>
<td>Company C, age of organisation: 37 years</td>
<td>Wednesday</td>
<td>23/11/2016</td>
<td>15.00</td>
</tr>
<tr>
<td>6</td>
<td>Production</td>
<td></td>
<td>Wednesday</td>
<td>23/11/2016</td>
<td>14.00</td>
</tr>
<tr>
<td>7</td>
<td>Design</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Marketing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Owner</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>PR &amp; Promotion Manager</td>
<td>Company O, age of organisation: 20 years</td>
<td>Thursday</td>
<td>10/11/2016</td>
<td>11.00</td>
</tr>
<tr>
<td>11</td>
<td>Store Manager</td>
<td></td>
<td>Wednesday</td>
<td>07/12/2016</td>
<td>13.00</td>
</tr>
<tr>
<td>12</td>
<td>HRD</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>13</td>
<td>Production</td>
<td></td>
<td>Wednesday</td>
<td>14/12/2016</td>
<td>10.00</td>
</tr>
<tr>
<td>14</td>
<td>Graphic designer</td>
<td></td>
<td>Wednesday</td>
<td>28/12/2016</td>
<td>13.00</td>
</tr>
<tr>
<td>15</td>
<td>Owner &amp; Creative Director</td>
<td>Company M, age of organisation: 4 years</td>
<td>Monday</td>
<td>07/11/2016</td>
<td>11.00</td>
</tr>
<tr>
<td>16</td>
<td>Owner &amp; Managing Director</td>
<td></td>
<td>Friday</td>
<td>09/12/2016</td>
<td>10.00</td>
</tr>
<tr>
<td>17</td>
<td>Operation Manager</td>
<td></td>
<td>Tuesday</td>
<td>15/11/2016</td>
<td>09.00</td>
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<tr>
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<td>Assistant Designer</td>
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<td>15/11/2016</td>
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<td>11.00</td>
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<tr>
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<td>Organisation</td>
<td>Day</td>
<td>Date</td>
<td>Time</td>
</tr>
<tr>
<td>----</td>
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<td>--------------------------------------</td>
<td>-----------</td>
<td>-------------</td>
<td>--------</td>
</tr>
<tr>
<td>21</td>
<td>Owner &amp; Product Director</td>
<td>Company B, age of organisation: 20 years</td>
<td>Sunday</td>
<td>13/11/2016</td>
<td>17.00</td>
</tr>
<tr>
<td>22</td>
<td>HR and GA Head</td>
<td></td>
<td>Thursday</td>
<td>17/11/2016</td>
<td>11.10</td>
</tr>
<tr>
<td>23</td>
<td>Design</td>
<td></td>
<td>Thursday</td>
<td>17/11/2016</td>
<td>09.22</td>
</tr>
<tr>
<td>24</td>
<td>Planning Head</td>
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<td>Thursday</td>
<td>17/11/2016</td>
<td>10.27</td>
</tr>
<tr>
<td>25</td>
<td>PPIC Head</td>
<td></td>
<td>Thursday</td>
<td>17/11/2016</td>
<td>13.12</td>
</tr>
<tr>
<td>26</td>
<td>Merchandise &amp; Promotion Head</td>
<td></td>
<td>Friday</td>
<td>18/11/2016</td>
<td>09.23</td>
</tr>
<tr>
<td>27</td>
<td>Sales and Store Operation Head</td>
<td></td>
<td>Friday</td>
<td>18/11/2016</td>
<td>08.30</td>
</tr>
<tr>
<td>28</td>
<td>Head</td>
<td>Government Office K</td>
<td>Friday</td>
<td>18/11/2016</td>
<td>17.30</td>
</tr>
<tr>
<td>29</td>
<td>Head</td>
<td>Government Office E</td>
<td>Tuesday</td>
<td>08/11/2016</td>
<td>08.00</td>
</tr>
<tr>
<td>30</td>
<td>Chair</td>
<td>Committee K</td>
<td>Wednesday</td>
<td>09/11/2016</td>
<td>10.30</td>
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<tr>
<td>31</td>
<td>Chairman</td>
<td>Association K</td>
<td>Wednesday</td>
<td>09/11/2016</td>
<td>16.00</td>
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<tr>
<td>32</td>
<td>Vice Chairman</td>
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<td>Tuesday</td>
<td>22/11/2016</td>
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<td>11/11/2016</td>
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<td>34</td>
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<td>Forum B</td>
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<td>01/11/2016</td>
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</tr>
<tr>
<td>35</td>
<td>Co-owner</td>
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<tr>
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<td>Wednesday</td>
<td>28/11/2018</td>
<td>19.00</td>
</tr>
</tbody>
</table>

The language used in the interviews was Indonesian, but some of the participants sometimes mixed it with the local language, Sundanese. All the conversations were audio-recorded with participants’ permission, obtained at the same time as the interview consent form was signed before the interview began. This data gathering process also encountered some problems. The details of the problems encountered are presented in Appendix I.

### 3.6.4 Other Data Gathering Activities

During the data gathering process, two creative fashion industry-related events were also attended by the researcher. One of these was KICKFest 2016, an outdoor fashion exhibition which the researcher visited on 5 November 2016 in Bandung. This is an annual exhibition and trade event organized by KICK⁶ (Creative Independent Clothing Community). KICKFest is claimed to be the first clothing festival in Indonesia because it has been held since 2006. More than 100 clothing and distro (Distribution Store) brands

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⁶ KICK stands for Kreative Independent Clothing Kommunity. This association’s name tries to combine the English name for Creative Independent Clothing Community with the Indonesian language to have an abbreviation that is pleasant to hear.
from several big cities in Indonesia participated in this event. This event also attracted an audience of around 50,000, causing it to be hailed as the biggest independent clothing event in South East Asia. Two companies studied in this study (Company O and Company E) and two participants of this study (the chairman and the business development manager of Association K) participated in this event as well.

The other event visited was the Bandung Fashion and Craft Expo. The researcher visited this expo on 18 November 2016 at Bandung’s Small Medium Enterprises (SMEs) Gallery. This was an expo organized by the Cooperative, SMEs Industry and Trade Office. It was also held as the grand opening of Bandung’s SMEs Gallery. The validity and reliability of this study are discussed in the next section.

3.7 Validity

Truth in the research findings is basically what is meant by validity in interpretive-rooted research. It indicates that what is really happening in the situation is accurately represented by the research findings (Collis & Hussey, 2003:58; Saunders & Lewis, 2018:134). Developing the understanding further, Sekaran (2003:410) defines validity in qualitative inquiry as to the extent to which the account accurately represents participants’ reality of the social phenomena and their credibility.

According to Saunders and Lewis (2018:134), there are some factors which threaten the validity of interpretive-rooted research, i.e. participant selection (the unrepresentative of the research population), history (specific events within the research process), testing (effects from the data gathering to the participants), and mortality (the loss of participants during the research). Since this study utilises a case study as the method, there are three validity tests commonly used to ensure its quality, namely construct validity, internal validity, and external validity (Yin, 2014:45). However, internal validity is only tested for explanatory or causal studies. Therefore, it was not tested in this exploratory study.
To increase construct validity when doing case studies, three tactics can be used. The first tactic is the use of multiple sources of evidence, as mentioned by Yin (2014:104). This study gathered data from various sources, such as documentation, archival records, interviews, and physical artefacts. The documentation gathered comprised administrative documents from the companies studied, news articles, YouTube videos, social media, and blogs. The archival records reviewed were public use documents, such as policy and statistical data provided by central, provincial, and city governments, and organisational records, such as production and expo records. Moreover, interviews were conducted with 36 participants from four entities of the quadruple helix. Finally, the physical artefacts reviewed were the stores of clothing brands, posters, and some works of art as the evidence of the development of the fashion industry and the creative industry in general in Bandung. Some of these pieces of evidence are listed in Appendix H of this thesis. The second tactic of construct validity is to establish a chain of evidence. Most pieces of evidence in this study are cited and treated like books or scientific articles; hence, they are also listed in the references. Since the references were generated using EndNote software, the evidence is captured and stored on EndNote in the form of PDF files. Lastly, the third tactic is to have the draft report reviewed by key informants. This tactic was conducted in this study by involving the participants, not only the key informants. First, the participants were asked to read the extended abstract before being interviewed. Second, they were also asked to review the transcript in order to verify the accuracy of the interviews.

The last validity test for this study is external validity. The only tactic that can be used to increase the external validity is replication logic, since this study applies multiple case studies. This is reflected in the process of participant selection for this study. The selection of companies to be studied presents a broad representation within the business helix. These selected companies represent deluxe and mass production, as per the focus on
volume-based classification in Indonesia’s fashion development, as well as the period that marks the economic crisis in 1997-1998 and the millennium era. The distribution channels and types of production strategy (make-to-stock and make-to-order) taken by these four companies are also different. These all make these four companies well representative to be studied and considered to give the truth about the topic discussed. Although they show different characteristics, they provide similar results regarding the topic.

3.8 Reliability

Reliability searches for consistent findings produced by the data gathering methods and procedures of analysis (Saunders & Lewis, 2018:135). Several factors which threaten the reliability of the research are participant error, participant bias, observer error and observer bias. Reliability indicates the consistency and stability of the researcher, tool, and method over time.

According to Yin (2014:240), reliability is defined as “the consistency and repeatability of the research procedures used in a case study”. Hence, the dependability of the results is ensured by the utilisation of consistent approaches. When another researcher conducts the same case study and follows the same procedures carried out by an earlier researcher, this later researcher should gather the same findings and conclusions. Documentation of the earlier study’s procedures is needed and can be addressed using a case study protocol. This protocol is the main strategy to increase the reliability of the study and its function is to guide the data gathering process. Developing a case study database can also be utilised to increase reliability (Yin, 2014:48-49).

This study follows Yin’s (2014:85-86) suggestion to use a case study protocol by preparing the overview of the study, procedures of the data gathering, interview guidance questions (presented in Appendix G), and a guide for the report. To develop a case study database, this study organised and documented the data gathered utilising the computer
software NVivo version 11 for the primary data and EndNote version X7 for the secondary data. Separating the raw data in the form of computer files and organising them in a particular software makes the data inspection easier. After discussing the validity and reliability, the data analysis is discussed in the next section.

3.9 Data Analysis

The data gathered in a qualitative study is generally text data. Audio data gathered from the interviews were transcribed into text data, as suggested by Saunders and Lewis (2018:182). Moreover, this study used iterative analysis as the data analysis method. This method alternates between the data exploitation and the existing model, explanation, and theories used (Tracy, 2013:184). Iteration is a reflexive process involving visiting the data continuously, connecting the data to develop insights, and refining the researcher’s focus and understandings progressively.

According to Tracy (2013:188), the process of iterative analysis starts with data immersion. The researcher immerses themselves in the data in the later stages of the data gathering process, whereby the aim of data immersion is to absorb oneself in the data. The second step was transcribing the data and reviewing the transcripts. Full transcriptions of the interviews were first made in the Indonesian language. These were then translated into English in the third step. The transcripts were carefully translated by the researcher and examined by two Indonesian academics who had obtained PhD degrees from UK universities. Then, the data were organised and stored before the coding process was undertaken. In this step, the data were stored in NVivo. The next step was primary-cycle coding, involving identifying data as belonging to or representing some type of phenomenon. A circular reflexive trial process was employed to open up meaning in the data. Between the two ways of coding, i.e. the manual approach and computer-aided approach, the researcher chose the computer-aided approach in this study. This study utilised NVivo as the computer software for coding as well as data storage.
The process continued with the development of a systematic codebook, which provides a list of keycodes (called ‘nodes’ in NVivo) and definitions of each node. After that, the second cycle of coding was organized. The researcher used the previously identified codes to categorize them into interpretive concepts. Synthesizing was then conducted using analytic memos. The benefit of analytic memos lies in understanding the relationships between the codes. In this last step, the analysis process focused on developing the working hypotheses. The researcher then confirmed the meanings found, whether they addressed the research questions or not. The process of data analysis can be seen in Figure 3.1.

![Figure 3.1. The Process of Iterative Data Analysis (Modified from Tracy, 2013)](image)

The essence of presenting the data analysis process is to increase the transparency of the data analysis processed and, hence, to increase the credibility of the findings. For this study, the data gathered consisted of 36 digitally recorded interviews that resulted in approximately 666 kilobytes of interview transcript data.

The steps taken to analyse the data are explained below:
1. Data immersion

The researcher listened and re-listened to the voice data and thought about the data in the later stages of the data gathering process. It was beneficial to absorb the data before the analysis process. During this step, some key themes were predicted, which directed this research to the findings. Notes were made on ideas that arose during immersion. Activities that could be categorised as the institutional work are inputted, including the key parties, an indicator of the process, and the possible institutional strategy.

2. Transcribing the data.

All audio files from each interview were transferred from the voice recorder to the computer. The transcribing process was conducted by converting voice to text. The researcher listened to the interview’s audio file and read aloud the words heard at the same time using web-based software Speechnotes.co. The sound from an audio file cannot be directly transferred into text when it is played to the software through the microphone since the software can only detect a real human voice. The text written on the software was then copied to a Microsoft Word file. Each interview was allocated to one file. Since some words spoken were not converted perfectly into text, the researcher made some manual corrections in the Microsoft Word files by listening again to the audio files. This step took place from January to April 2017, except for one additional interview which was conducted in November 2018.

3. Translating the data.

The next step was the translation process. Since the interviews were conducted in the Indonesian language, and some parts were even in Sundanese (the West Java local language), a translation into English was performed by the researcher and examined by two Indonesian academics who had obtained PhD degrees from UK universities. The process of translating from the Indonesian language into English was done
manually to avoid meaning loss. This step was conducted over five weeks, from late April 2017 until late May 2017.

4. Organizing and preparing the data

a. The first thing to do in organizing and preparing the data was gathering all the materials, such as interview audio files, interview transcripts, field notes, articles from online news media, company documents, blog posts, captured social media posts, YouTube videos, and government documents.

b. After all the materials were in place, the primary data were inserted into the computer-aided qualitative data software and the secondary data into the bibliographic software. NVivo version 11 was used to store and manage the primary data and EndNote version X7 was used for the secondary data. In this study, all the primary data were already in the form of digital files, while the secondary data, except the video, were converted to PDF files. These digital files enable the data to be stored easily, conveniently managed, and practically analysed. Although video can be easily stored in NVivo, the data from YouTube videos was put into EndNote because of the convenience of inserting them as citations in the thesis.

c. The researcher organised the data according to the type of data. The audio files and the transcript text from the Microsoft Word files were copied to NVivo. The interview data were labelled with the participants’ real names and their helix or company name. In NVivo, these interview data were categorised as ‘sources’ and placed as internal sources with the folder label ‘interviews’. The secondary data, stored in EndNote, were put into folders labelled ‘Bandung creative industry’, ‘fashion industry’, and ‘Indonesia creative industry’.

By organizing and preparing the data, it was easy to focus on the data and create a well-presented data storage.
5. Primary-Cycle Coding

In this step, the codes to be used are determined by the researcher. Before coding the data, three primary nodes were set up in NVivo to reflect the three research questions. They are ‘The institutional environment faced’ to gather data about the institutional environment faced by the fashion industry actors (the first research question); ‘Dealing with the institutional environment’ to gather data about how fashion industry actors cope with Indonesia’s underdeveloped institutional environment (the second research question); and ‘Nature of institutional work’ to gather data about the nature of institutional work carried out by the institutional entrepreneurs in Bandung’s fashion industry (the third research question). In this primary-cycle coding, the researcher assigned words or phrases that presented the basic activities or processes. The basic guidance for this coding step was the questions ‘what’ and ‘who’. The characteristic of this coding step was descriptive. However, the data coded in this primary-cycle coding were general, and some data were not included in the next stages due to irrelevance.

The flow of this primary-cycle coding started with the coding of the institutional environment in Indonesia. This coding was conducted to answer the first research question. The characteristics of the institutional environment were grouped in the node ‘institutional environment’. The next coding process was to address the second research question. The objective was to find out how the fashion industry actors coped with Indonesia’s underdeveloped institutional environment. The aspects of business in which the fashion industry actors dealt with the institutional environment were grouped in the node ‘Business Aspect’. The actions found in the interviews were inputted into some codes, such as ‘consumer’, ‘curation’, ‘design’, ‘designer’, ‘intellectual property rights’, ‘product development’, ‘production’, ‘promotion’, ‘quality control’, ‘sales and distribution’, ‘staff’, ‘strategic’, and ‘trend’. To clarify
the institutional entrepreneurs in Bandung’s fashion industry, the next step was the coding of the roles of the quadruple helix entities. In addition to the actions taken by the fashion industry actors coded in ‘Business Aspect’, they were also coded in the node ‘Entities’, which consisted of the codes, ‘academics’, ‘business’, ‘government’, and ‘communities’. The ‘Position’ and ‘Properties’ nodes were also made and filled to identify the position and properties of the quadruple helix entities.

The last coding in the primary-cycle coding was to address the third research question. Any content of the interviews that was considered to reflect the nature of institutional work carried out by the institutional entrepreneurs was grouped into three institutional pillars. What was institutionalized by the institutional entrepreneurs was coded as ‘cultural-cognitive’, ‘normative’, and ‘regulative’. There were also types of institutional strategies taken by the fashion industry actors that were coded as ‘strategies’. The content of the interviews related to how the fashion industry actors managed the institutional work was coded as ‘process’, and the aspects that allegedly encouraged the institutional work carried out were coded as ‘stimuli’.

6. Code Book Creation

The codes from the primary-cycle coding were set in a list and given their descriptions. Institutional environment was a code placed under the first research question’s node. The next set of codes denoted actions or activities in the fashion industry, such as managing consumers, curation, designing, managing designer, intellectual property rights, product development, production, promotion, quality control, sales and distribution, managing staff, strategic, and managing trends. These codes were placed under the second research question’s node. The quadruple helix approach was used to categorise the actors involved, whereby academics, business, government, and communities were placed under the second research question’s
node as well, together with their positions and properties. The researcher coded the texts and phrases associated with the three types of institutions: regulative, normative, and cultural-cognitive, and placed them under the third research question’s node, including strategies. Process and stimuli were also defined as part of the third research question’s node. The creation of this codebook was important to ensure the data’s relevance to the research questions or research interests. A focus on the questions and the corresponding codes that give the greatest value, interest, and significance was essential in this step. The codebook from the primary-cycle coding and secondary-cycle coding is shown in Table 3.5 below.

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional environment faced (RQ1 Anchor Code)</td>
<td>Institutional environment faced by the fashion industry actors</td>
</tr>
<tr>
<td>Institutional environment</td>
<td>Indonesia’s underdeveloped institutional environment</td>
</tr>
<tr>
<td>Dealing with Institutional Environment (RQ2 Anchor Code)</td>
<td>How fashion industry actors cope with the Indonesia’s underdeveloped institutional environment</td>
</tr>
<tr>
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<td>The aspects of business where fashion industry actors deal with the institutional environment</td>
</tr>
<tr>
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<td>Business aspect related to consumer service</td>
</tr>
<tr>
<td>Curation</td>
<td>Business aspect related to selecting the product to be promoted or sold</td>
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<tr>
<td>Design</td>
<td>Business aspect related to designing the product</td>
</tr>
<tr>
<td>Designer</td>
<td>Business aspect related to designer treatment</td>
</tr>
<tr>
<td>Intellectual Property Rights</td>
<td>Business aspect related to managing Intellectual Property Rights</td>
</tr>
<tr>
<td>Product development</td>
<td>Business aspect related to the product development process</td>
</tr>
<tr>
<td>Name</td>
<td>Description</td>
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<tr>
<td>---------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Production</td>
<td>Business aspect related to the production process</td>
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<tr>
<td>Promotion</td>
<td>Business aspect related to the promotion process</td>
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<tr>
<td>Quality Control</td>
<td>Business aspect related to the quality control process</td>
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<tr>
<td>Sales and Distribution</td>
<td>Business aspect related to sales and distribution process</td>
</tr>
<tr>
<td>Staff</td>
<td>Business aspect related to managing the staff</td>
</tr>
<tr>
<td>Strategic</td>
<td>Business aspect related to industry sector/external arrangement</td>
</tr>
<tr>
<td>Trend</td>
<td>Business aspect related to managing the trend</td>
</tr>
<tr>
<td>Entities</td>
<td>Parties involved in fashion industry institutional work</td>
</tr>
<tr>
<td>Academics</td>
<td>Higher education sector</td>
</tr>
<tr>
<td>Business</td>
<td>Business people/business practitioner</td>
</tr>
<tr>
<td>Communities</td>
<td>Community/association party</td>
</tr>
<tr>
<td>Government</td>
<td>Government official</td>
</tr>
<tr>
<td>Position</td>
<td>The position of actors (subject or social position, central or peripheral actor) in institutional work</td>
</tr>
<tr>
<td>Properties</td>
<td>The properties (special characteristics, qualities, abilities) possessed by the actors in institutional work</td>
</tr>
<tr>
<td>2nd Cycle (1) -</td>
<td>The process of creative economy development</td>
</tr>
<tr>
<td>Developing Creative</td>
<td></td>
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<tr>
<td>Economy</td>
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<td>2nd Cycle (2) –</td>
<td>Arrangement of the informal association of clothing businesses</td>
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<td>Organizing the informal</td>
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<td>association of clothing</td>
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<td>businesses</td>
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<td>Name</td>
<td>Description</td>
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<tr>
<td>2nd Cycle (3) - Creating community-based fashion brands</td>
<td>The way to create community-based fashion brands</td>
</tr>
<tr>
<td>Nature of institutional work (RQ3 Anchor Code)</td>
<td>The nature of institutional work carried out by the institutional entrepreneurs in Bandung’s fashion industry</td>
</tr>
<tr>
<td>Cultural-Cognitive</td>
<td>Taken-for-granted or shared understanding arrangements</td>
</tr>
<tr>
<td>Normative</td>
<td>Provisions with social obligation</td>
</tr>
<tr>
<td>Regulative</td>
<td>Regulations, rules, laws and sanctions</td>
</tr>
<tr>
<td>Strategies</td>
<td>Types of institutional strategy in Bandung’s fashion industry</td>
</tr>
<tr>
<td>Process</td>
<td>How the fashion industry actors manage the institutional work</td>
</tr>
<tr>
<td>Stimuli</td>
<td>Uncertainty, problems, tension and contradictions in the field faced by quadruple helix entities</td>
</tr>
<tr>
<td>2nd Cycle (1) – Process of Creative Economy Development</td>
<td>What was institutionalized in the process of creative economy development</td>
</tr>
<tr>
<td>2nd Cycle (2) – Organisation of informal clothing businesses association</td>
<td>What was institutionalized in the arrangement of the informal association of clothing businesses</td>
</tr>
<tr>
<td>2nd Cycle (3) – Community-based fashion brands creation</td>
<td>What was institutionalized in the creation of community-based fashion brands</td>
</tr>
</tbody>
</table>

7. Secondary-cycle coding.

This coding step is more analytic and interpretive. Codes identified in the primary-cycle were critically examined by the researcher in the secondary-cycle coding. They were organized, synthesized, and categorized into interpretive concepts. Some primary codes were grouped into one secondary code. The first-level codes were used
with interpretive creativity and theoretical knowledge to generate second-level codes. One example is the code of developing the creative economy, which was formed from some primary codes, such as strategic, promotion, and curation.

As the first second-level code, the process of creative economy development was coded and joined together in the anchor code of the second research question, while what was institutionalized in the process of creative economy development was coded and joined together in the anchor code of the third research question. As a second second-level code, the arrangement of the informal association of clothing businesses was coded and joined together in the second research question’s anchor code. Meanwhile, what was institutionalized in the arrangement of the informal association of clothing businesses was coded and joined together in the anchor code of the third research question. Lastly, as the third second-level code, the way of creating the community-based fashion brands was coded and joined together in the anchor code of the second research question, while what was institutionalized in the creation of community-based fashion brands was coded and joined together in the anchor code of the third research question.

8. Synthesizing and meaning-making

While coding, the researcher recorded emerging ideas and thoughts which, once documented, could function as reminders in the synthesizing stage. Three documents were created, as suggested by Tracy (2013:196), when the coding process was conducted, i.e. a methods section draft, analytic memos, and a loose analysis outline. Some main coding activities were recorded in a methods section draft. This document shows the analysis process chronologically.

As evidence of the analysis process as well as the analysis outcome, analytic memos were written to present the codes’ meaning and the relation between one code and others. Analytic memos help the researcher to understand the data’s core stories. A
loose analysis outline was created to note the potential ways in which the emerging codes addressed the research questions.

3.10 Ethical Considerations

The relationship between the researcher and participants in this study was influenced by its ontological position. The participants in this study were kept in close touch with the researcher in gathering data on the institutional entrepreneurs’ strategy to cope with the underdeveloped institutional environment in Bandung’s fashion industry. In-depth interviews were conducted by the researcher to gather as much depth as possible for all the relevant data. This type of interview gives the researcher freedom in what to ask the participants since it does not use a systematic questionnaire. However, the researcher was committed to following the ethical guidelines agreed with the participants and did not abuse the freedom he had. According to Fisher (2010), there are several important ethical aspects, which were applied in the three stages of this study. In negotiating access, before gathering the data, the researcher agreed on the terms of reference for conducting the research stipulated by the studied companies and organisations. The researcher also respected the participants’ privacy. The researcher prepared an informed consent form for all the research participants to ensure their complete understanding of the implications of their involvement. Hence, the researcher introduced and requested the participants’ involvement in the research in the beginning and then followed up by sending them the official request and consent form in the second contact.

In the data-gathering stage, the researcher focused on finding the relevant information and avoided revealing his personal judgements or opinions to the participants. The research objectives were disclosed to the participants as written on the consent form. As sources of the research, participants were kept confidential and anonymous. For this purpose, they are referred to by code letters in the thesis. The participants’ permission was obtained before using the voice recorder in the interviews. The researcher also
assured the participants that the raw data gathered and the analysis documents would be stored safely and used only for the purposes stated. The raw data is stored in the researcher’s personal hard drive and will never be copied to another data storage device for its safety. In the analysis and reporting stage, the researcher attempted to maintain objectivity, avoid conflicts of interest, and remain independent from any influences when concluding the study. Any misuse of the study by any related party, including by the researcher himself, was also prevented and prohibited.

This study followed the policy of Hull University Business School (2011) in managing its ethical steps. The research ethics proforma, consent form, informed consent letters, research summary, and interview guide were submitted to the Secretary of the HUBS Research Ethics Committee. Data gathering did not commence until approval was received.

After explaining the methodology of this study in this section, the next section describes this study’s three findings, namely, the process of creative economy development, the arrangement of an informal association of clothing businesses, and the creation of community-based fashion brands.
CHAPTER 4. PROCESS OF CREATIVE ECONOMY DEVELOPMENT IN BANDUNG

After analysing the data gathered from 36 participants, three findings emerged in this study are explained in three different chapters. This chapter aims to present the first finding of this study, namely the institutionalization of creative economy development. The other two findings, on the informal association of clothing businesses and on community-based fashion brands, are presented in the next two chapters. The process of creative economy development is presented first because it shows a bigger picture than the other two findings. It involved more parties in the city level working toward the same goal to promote and develop the creative economy in Bandung.

This chapter consists of an explanation of the underdeveloped institutional environment, an explanation of the bottom-up approach in developing Bandung’s creative economy, an explanation of how Bandung’s creative economy was developed; these are based on the cultural-cognitive institutional pillar, an explanation of the government’s role in promoting the regulative pillar of the creative economy in the local context, and a summary of this chapter. The significant role of the community which made it an institutional entrepreneur in creative economy development in Bandung is explained in two sections after the explanation of the underdeveloped institutional environment, concerning the bottom-up approach and the cultural-cognitive institutional aspect. Then the fourth section comprises the clarification of the government’s role in creative economy development, followed by the summary.

4.1 Underdeveloped Institutional Environment

In examining institutional entrepreneurship in the fashion industry in an emerging market economy, an analysis of the creative economy cannot be avoided since the fashion industry is a part of it. Therefore, this study discloses not only the activities within
Bandung’s creative fashion industry but also Bandung’s creative economy development. The creative economy discourse arose in several communities in Bandung around 2005. In 2006, the concept was introduced by creative communities to the West Java Province Government through the Office of Industry and Trade. The discourse was also presented in the Artepolis Seminar held in Bandung in 2006. At that time, the British Council was one of the very active organisations that spread the creative economy discourse (Iskandar, 2012).

Furthermore, in a city with rapid creative industry development like Bandung, the related current policies are still general. Bandung’s creative economy’s underdeveloped institutional environment happens because the understanding of the creative economy is still developing. This condition was emphasized by participant 29:

“There is no specific regulation regarding the creative economy, particularly the fashion industry because it is still a new thing. The term is still sought by so many people and has different definitions when defined” (Participant 29/Government/Female).

Naturally, the underdeveloped institutional environment faced by the fashion industry actors is characteristic of emerging markets. This matter applies to the findings of this study. The first condition found was the unavailability of creative economy policy made by the government, particularly ten years after the 1997–1998 economic crisis. Several participants mentioned the early phase of the creative economy movement. It is known that in the mid-2000s, there was no specific policy regarding the creative economy in Indonesia (Handayani (2007a); Simatupang (2007); Participant 29). The creative economy activists still asked for the government’s political will to support their actions (Pempasa (2007); Participant 35), while some creative economy actors were already running their businesses since the 1997–1998 economic crisis. The first Indonesian government’s document made for the creative economy was the Indonesian Creative Industries Mapping Report in 2007 (Ministry of Trade, 2008). Meanwhile, in developed
countries, the creative economy concept had been recognised since the mid-1990s. Creative industries were considered to have emerged in 1994 when the ‘Creative Nation’ report was launched in Australia (United Nations, 2008). The emergence continued in the UK in 1997, when the UK Department for Digital, Culture, Media and Sport (DCMS) created the Creative Industries Task Force. The result of setting up this task force was mapping to measure the economic impact of the creative industries on the UK economy in 1998 (Flew, 2011:9). Participant 32’s statement emphasizes that a specific creative industries policy was not available at that time. He also stated that regulation to increase the purchasing power was needed in the fashion industry.

“There is no individual rule in the creative industries. Actually, most of them (creative industries actors) still move uncoordinated.” (Participant 32/Community/Male).

Furthermore, two decades after the rise of the fashion industry, it was admitted that there was no particular fashion industry regulation set by the government. Participant 28 mentioned this as follows.

“The regulation in Bandung itself is still macro, not specific for fashion. We are only given target must develop some sub-sectors of the creative economy.” (Participant 28/Government/Female).

If the first condition is about the unavailability of creative economy policy, then the second condition that represents the underdeveloped institutional environment is the absence of sector-specific bank lending schemes. Participant 4 explained his experience in accessing bank lending, which is considered as a difficult process, as mentioned below:

“I just dealt with banking after 10 years since the company born. So, for 10 years I only submitted the credit proposal. Banking is needed to give attention to entrepreneurs living in the alley since the regulation defines a business must be on the road which is travelled by car.” (Participant 4/Business/Male).

Another comment also comes from Participant 31. He added the difficulties of clothing businesses in accessing banks due to the lending requirements.
“In 2009 or 2010, we never glimpsed by the bank. Unless we wanted to borrow money from the bank, the standard procedure will be applied. We must have the collateral.” (Participant 31/Community/Male)

Another condition is the violation of Intellectual Property Rights (IPR). The high rates of piracy experienced in Indonesia were caused by the absence of the legal sanctions’ implementation by law enforcers. This was mentioned by Participant 1 when a new law on IPR was established in 2014.

“but it is more about the usage of the brand so far, actually there is no legal sanctions’ implementation from the law for copying the design.” (Participant 1/Academic/Female).

Piracy frequently occurred when a design of fashion product was popular in the market. Participant 2 stated this matter as follows.

“But in Indonesia, one trendy design, for example, it can be owned by the public.” (Participant 2/Academic/Female).

Participant 3 also mentioned piracy as a frequent event in the fashion industry that already had a solution. However, this solution did not punish offenders appropriately. Piracy mostly happened when the distro’s product was sold out and the design would then be imitated by smaller businesses. The distro could not ban them and also considered piracy as a free promotion action.

“He felt that fashion business is an idea business. So, if then one design is sold, it means the idea can be accepted by the market. Maybe the users of the pirated products will receive social sanction from others.” (Participant 3/Academic/Female).

A quite similar statement was also given by Participant 9, who was resigned to the piracy experienced in Indonesia.

“Actually, also as publications. Pirated brand is usually a famous brand. Hehehe... It is hard to prosecute. Indonesia is too broad. So difficult.” (Participant 9/Business/Male)

In addition, Participant 28 presented an example of the flat response by fashion actors to piracy.

“The distro was relaxed when its product was pirated and circulated elsewhere. He said it's a pity to report.” (Participant 28/Government/Female).
Another flat response was also demonstrated by Participant 15. She did not do anything when she knew about the possibility of her design’s piracy.

“Once other brand’s product, that was accidentally the same with our collection, was discussed by people in social media and I was tagged by them. Even though I didn’t protest.” (Participant 15/Business/Female).

Next, Participant 4 added his own experience regarding intellectual property. He stated the difficulty in enforcing the copyright of fashion design. Processing the copyright took a long time and lead to the trend’s obsolescence. As part of his effort to protect his company’s intellectual property, he only considered registering his brand but did nothing for design copyright. The opinion to not register the design copyright was also stated by Participant 31.

“Copyright has many tests such as competence test and involving various related institutions. It is difficult to register the copyright of design in fashion, because once there is a little modification then he can escape. So, we just registered the brand, not the product.” (Participant 4/Business/Male).

“The most suitable to be registered in this industry is the brand registration. Because copyright and patent are less related. Since design always moves, waiting for its registration will spend around one year, will be out-of-dated.” (Participant 31/Community/Male).

After the IPR problem, the underdeveloped institutional environment was also indicated based on the complicated bureaucracy in the Indonesian government. Participant 1 presented an example of complicated bureaucracy when creative industries actors responded to government action.

“The actors are already very sceptical to the government. Like this, "Exhibition", "What exhibition? Must pay how much? Good exhibition?" we are already sceptical. "Who's doing it?", "Government", "Hmmm", like that. Because some of them were not right.” (Participant 1/Academic/Female).

Lastly, an unclear tax application for small enterprises is another condition that represents the underdeveloped institutional environment in Indonesia. Participant 21 revealed that many creative industries actors had to pay more taxes than they should have due to an unawareness of tax policy.
“A lot of friends in the creative industry were not aware when there was tax amnesty. Headache, shocking. They had NPWP (tax registration number), their sales already billions, but never fill the tax form.” (Participant 21/Business/Male)

Fear of dealing with taxes was also experienced by Participant 17. He was afraid to expand his company’s promotion channel to website and Instagram because he thought he could be traced by the tax office through the channel.

“There are ever happened such incidents, (firms) finally being visited by the tax officer, being checked to be paid. They got a fine. So, we do not want to be like that.” (Participant 17/Business/Male)

Regarding taxes, Participant 9 also added that many people still do not clearly understand them. This can happen since many people rarely deal with the government. He imitated how people react to the taxes matter:

“What is this? but we have to pay. And I am also lazy because I fear to talk incorrectly.” (Participant 9/Business/Male)

Furthermore, this underdeveloped institutional environment led to institutional voids that were revealed by this study. The underdeveloped institutional environment was found to be a challenge but also an opportunity for the actors. The first void is related to creative economy development. Tracey and Phillips (2011) noticed institutional voids as the unavailability of the institutions to facilitate economic activity. These voids block several business practices, standards, procedures, or other institutions. Based on further exploration, this study also found the community to be the institutional entrepreneur of the creative economy development process. The detail of the process is presented in the following sections.

4.2 A Bottom-up Approach

Bandung’s creative economy development, including fashion, is institutionalized in a bottom-up approach. It was initiated by communities before being further developed by the government after several years. The community that is discussed here is the fourth helix suggested by Carayannis and Campbell (2009), which complements the triple helix model of knowledge infrastructure developed by Leydesdorff and Etzkowitz (1996). The
triple helix itself consists of three entities, namely academics, business people, and government. This fourth helix is an independent, not-for-profit and member-based organisation which could combine funding from the government and the private sector. It also creates links between the triple helix entities (Liljemark, 2004; Lindberg et al., 2014).

Creative economy development locally emerged before the Presidential Instruction number 6 of 2009, regarding the creative economy as a national regulation, was published. In 2008, 50 independent creative organisations established Bandung Creative City Forum (BCCF) (British Council, 2014c). Some founders and early members of BCCF were representatives of communities, such as BDA+Design (architecture), Urbane (architecture), Common Room (urban/rural platform for creativity and innovation), Adiwilaga and Co (intellectual property), Sembilan Matahari (audio visual art), Mahanagari (fashion), Tegep boots (fashion), Deathrockstar (music), Jendela Ide (youth art), pixel people project (visual art), LABO the Mori, Invictus (fashion), Bandung Arsitektur Family (architecture), Bikers Brotherhood (motoring), KICK (fashion), Komunitas Sunda Underground (music), Bandung Death Metal Sindikat (music), Solidaritas Independen Bandung, Ujung Berung Rebel (music), Saung Angklung Udjo (music), Republic Entertainment (performance art), Urban Design Study Centre (academics), SAPPK ITB (academics), Fine Art ITB (academics), Product Design ITB (academics), Eco-Ethno, Galeri Seni Bdg (fine art), Gallery Rumah Seni Roedyat (fine art), and openlabs_bdg (music) (BCCF, 2012). BCCF was formed to make the city a leading player in urban creativity. This mission also promoted the creative economy concept. It was founded in February 2008 but became a legal entity in December 2008, together with the selection of Ridwan Kamil as its chairman. BCCF was expected to encourage the communities as much as possible and to translate the creative economy
within communities (Bandung Creative City Forum, 2011a). The logo of BCCF is shown in Figure 4.1 below.

![BCCF Logo](image)

Figure 4.1.
BCCF Logo
Source: BCCF

The establishment of BCCF cannot be separated from the figure of Ridwan Kamil. As a co-founder of BCCF, he was inspired by the UK’s growing creative economy. He visited London and Glasgow in 2006 as a participant of the British Council’s Young Creative Entrepreneur Design Awards study tour. He learned about community-driven creative regeneration projects and their economic impact. He believed that the people in Bandung should be united first if they wanted to follow the UK’s creative economy success. He co-founded BCCF with three main goals: to encourage creative thinking; to promote creativity as an important driver of the economy; and to make Bandung synonymous with creativity (British Council, 2014a). Before BCCF was founded, he realised that Bandung had all the factors needed to be developed as a creative city and that its citizens had received several national and international creative economy-related recognitions. He invited a reputable local media to become the partner in promoting this idea. He found that many actions had not been coordinated and there were difficulties in accessing the local government. He already mapped some actions to develop Bandung’s creative economy by reflecting on what he saw in foreign countries. He emphasised that political will from the city government should be obtained first (Pempasa, 2007). The difficulty faced in developing the creative economy was also stated by Participant 35:
“In its establishment, BCCF’s initial motivation was the government, especially the city government at that time, who did not seem to take sides with the community. Community in the sense of creative industry actors. When Bandung was already famous as a creative city, the government did not give big support at that time. One of the examples was the making of ‘DAGO’ lettering in Cikapayang Street, which was initiated by BCCF without any assistance from the government” (Participant 35/Community/Male).

Participant 35’s statement is also supported by a government official’s statement, as recorded by Detik (2009). The role of communities was bigger than the role of the city government in promoting creative economy development. Ridwan Kamil, in a talk show, even emphasized that people should not wait for the government to develop the creative economy and change the community (TEDx Talks, 2010). This role was based on a spirit of rebellion against the government in the creation of a liveable city and aroused the government’s response to the rising phenomenon of the creative economy. The BCCF initiative was validated by the top official of the Bandung City Government, the Mayor’s Assistant for Economy, Development, and People’s Welfare, when BCCF proposed 10 featured programmes of Bandung’s Asia Creative City to the Bandung City Government in 2008. These ten programmes were divided into three main groups, i.e. enhancement of people’s participation in the creativity discourse, strengthening entrepreneurship in creative industry sectors, and Bandung city’s physical revitalization to support a creativity climate (Detik, 2008).

BCCF started as an informal group of creative communities that were easy to find in Bandung. It adopted ‘hidup adalah udunan’ (life is to share together) as its slogan (Yudiman, 2013), which is relevant since collaboration is the main spirit behind the establishment of every BCCF creation, and social responsibility is defined as the soul for the solution to urban problems. These concepts were admitted by a Vietnamese creative industries actor, Bill Ngugen, who visited Bandung and Jakarta to observe how the creative economy was being developed. He knew some different organisations in
Bandung and Jakarta that could come together creatively and engage many stakeholders, such as creative professionals, the government, and the public. He found that the more neighbourhood-like creative scene in Bandung supported the communities’ empowerment. He wanted to put this into practice in Hanoi as well (British Council, 2014b). The late Mr Irvan Noe’man, a famous designer and creative activist, acknowledged the pioneering work of BCCF (Bandung Creative City Forum, 2011a):

“BCCF’s tasks are a lot in 2009. Other cities like Jogjakarta and Bali have also started what BCCF has done. Bandung is still leading in involving communities in its city development process”.

Previously, the creative communities in Bandung tended to be fragmented. BCCF is a cross creative sector forum that provides a vehicle for creativity and collaboration among communities, and it was created as a movement to develop Bandung as a creative city. BCCF became a collaborative power due to a blend of thought, commitment, and partnership without hierarchy (Fitriyana & Sofhani, 2012). Initially, BCCF had to promote its existence and objectives to as many communities as possible in Bandung. It also objectified the translation of the creative economy among communities. The BCCF founders were aware of creative economy development across the globe as well as its importance, hence they encouraged many related communities in Bandung to develop the creative economy by attaching local elements. The co-founder of BCCF, Ridwan Kamil, observed and learned about the UK’s growing creative economy in 2006, and Bandung was selected by the British Council in 2007 as one of the pilot projects for creative industries development in East Asia (Bandung City Government, 2014). This project was an initiative among international creative networks and not an inter-governmental cooperation (Fahmi, 2014a). These two international experiences pushed BCCF to attract and motivate local communities to move the creative economy.

BCCF’s aim is to play an integral role in solving Bandung’s social, economic, and environmental challenges by inviting diverse communities to ‘intervene’ – making
change happen using creativity (British Council, 2014c). Although the Bandung City Government had already targeted the creative city development in their Medium-Term Development Plan of 2008-2013, the dominant party in driving the creative economy was the communities, particularly BCCF. This view is supported by Participant 35:

“In the period of 2008 to 2013, there was no other communities’ forum like BCCF.” (Participant 35/Community/Male)

There was, coincidentally, a link to the British Council, which had a programme in Indonesia. At that time, the UK was famous for its creative industry and the British Council chose Bandung as the pilot project for creative industries development in East Asia in 2007. This happened without any coordination with the Bandung City Government since the project was not an inter-governmental cooperation. Initially, the British Council had three cities as options: Bandung, Jogjakarta, and Bali. Jogjakarta and Bali were not chosen because their strengths lay only in the traditional aspects, while Bandung had modern as well as traditional aspects, thus it was chosen because of the completeness of the elements it could offer. Although several creative economy-related activities were supported by the British Council, the cooperation in the creative industries between the UK and Indonesian governments was not formalized until 2012 with a Memorandum of Understanding (Indonesian & UK Governments, 2012). After the BCCF was legally formed, some events were sponsored by the British Council. In fact, the British Council was to help in the form of substantial funds for infrastructure projects, street furniture, and parks, but this programme did not work until the deadline of the offer due to the lack of support from the government at that time.

To implement its slogan, the membership of BCCF is based on equality among members, who bring various skills and experiences to create a strong collaboration. The organisation pushes every member to build a wider network and requests participation through time, effort, and material as a means of resource sharing. The individuals who represent communities as BCCF’s members consist of academics and business people in
the field of the creative economy. However, BCCF still faced constraints, such as the rigidity of the Bandung City Government’s bureaucracy in adopting some ideas from BCCF. It was hard to intervene in the policy of the government, despite meetings, lobbying, and evidence of BCCF’s good impact through its events and activities. On the other hand, the Bandung City Government found it difficult to build a commitment, such as political support from the parliament, policy support from the government’s executive, and operational support from related government’s units as well (Fitriyana & Sofhani, 2012).

By organizing 126 creative events during 2008–2013 (Yudiman, 2013), BCCF tried to promote the creative economy in Bandung and to create creative solutions to many of the city’s problems. These events made the government more aware of the importance of the creative economy. BCCF also persuaded other creative communities to join and develop the creative industries together as well as to update the creative economy to the public. Some examples of activities are the Helarfest, which is a city festival to show Bandung’s creative economy potential, Creative Village, Bike.bdg, which is a cycle-sharing scheme managed by the community, and United Nations Environment Programme (UNEP) Tunza International Children and Youth Conference in 2011 (Bandung Creative City Forum, 2012a). Some of these BCCF’s local events are shown in Figure 4.2 below.
BCCF, as a city-level group of communities, invited the Minister of Tourism and Creative Economy to Bandung for a discussion in 2012 (Bandung Creative City Forum, 2012b). A year before, BCCF had also invited a team from the British Council to its office and together they visited a creative village in Bandung (Bandung Creative City Forum, 2011b). These activities demonstrate the capacity and reputation of BCCF, both national and international. This community’s role has also been acknowledged by the government. One example is a statement from Participant 28 (a top official of the Bandung City Government):

“Many are asking about the development of the creative economy in Bandung, ‘How could Bandung creative economy be developed by communities that help the government?’ Because frankly we are greatly helped by the communities.” (Participant 28/Government/Female)
Participant 35 described the role of the communities in Bandung’s creative economy development as the party who gave a strong element of pressure or insistence on the creative economy at the city level.

“The creative economy in Bandung was finally recognized by the government because of the pressures. If communities had not applied pressure, including forming the BCCF at that time, maybe the city government would have remained ignorant of the creative economy. (Participant 35/Community/Male)

Ridwan Kamil emphasized that the effort of the community is powerful and sustainable (British Council, 2014c). He interpreted community as a grassroots collaboration since many stakeholders joined the BCCF, such as people from the arts, clothing, fashion, music, urbanists, archivists, solicitors, and engineers. Promoting creative economy development in a bottom-up way was also emphasized by Participant 1, an academic. After explaining how the creative economy was developing, the nature of creative economy development is presented in the next section.

4.3 Cultural-Cognitive Institutional Pillar

The creative economy was developed by BCCF on a cultural-cognitive basis\(^7\). The BCCF’s programme contrasts with government development programmes, which start from the regulative perspective and gradually turn to the cultural-cognitive. This can be understood since BCCF is a group of communities that consists of ordinary citizens. They were unable to force creative economy development in the area. They developed the creative economy by initiating their own events and inviting other local communities to join. They encouraged others to develop the creative economy together with them, instead of directing others.

\(^7\) In the cultural-cognitive dimension, people follow their conception of what reasonable others would do in the same situation. Symbols (words, signs, gestures) have their effect by shaping the meanings attributed to objects and activities. Meanings arise in interaction and are maintained and transformed as they are employed to make sense of the ongoing stream of happenings (Scott, 2001:51-58).
To promote, drive, and develop the creative economy, BCCF went directly to the people in several villages. By using the slogan of ‘Let’s do something for Bandung’, the BCCF team tried to solve the problems in these villages in creative ways. In the video documentation of Cañeque and Serna (2015), two BCCF officials gave their statement about this programme. Wientor Rah Mada, the BCCF’s Creative Business Coordinator, explained the BCCF villages programme as follows:

“I call this an acupuncture method. BCCF comes to the villages, conducts conversation and interaction with the villages’ people, and asks what they want for the villages in terms of creativity.”

Tita Larasati, BCCF’s Secretary-General at the time, gave an additional explanation about the efforts of BCCF. She explained that BCCF wanted to convince the government that creative economy development could be conducted without any complicated bureaucracy, huge investment, or massive infrastructure. BCCF realised the potential of the youth in Bandung. BCCF utilised this advantage to encourage the creative youth movement, and it invited the youth and communities to participate persuasively. Therefore, the youth interaction and co-creation facilitated by BCCF was essential to enabling innovative ecosystems as well as contributing to the city’s social transformation. Her emphasis was as follows:

“To develop the creative economy, people only need to be asked to show what they can do, to be made very confident in what they can do, and finally they can do it. BCCF took this approach. We just have to find the right person, the right connection, and the right potential. 60 per cent of the 2.5 million population in Bandung are under 40 years old and these are recognized as the source of the energy to develop the city.”

These two BCCF officials mentioned villages as well as the city because of the existence of the government administration level. In the Indonesian context, the second level of the government beneath the provincial level is the city and the regency, whereby the regency is usually located in rural areas. A city consists of several sub-districts and each sub-
district consists of a few villages. The village is the lowest level of government administration in Indonesia. Here, BCCF tried to help the development of the area in a more creative way as well as promote creative economy development.

The disparity of understanding and the low level of knowledge caused the implementation of the central government’s creative economy policy to falter. This was in contrast with the enthusiasm of the society (Gustaff, 2012). Hence, according to the interview with Ridwan Kamil by Fitriyana and Sofhani (2012), BCCF took command of creative economy development in Bandung with three major strategies, as shown in Figure 4.3.

These were implemented through several actions, as explained below:

1. Fostering Creative Culture: Events, Media, Community Organisation and Education.

   The creative culture programme tried to build a creative community culture through creativity in education and creative festivals management. BCCF organised exhibitions, discussions, workshops, presentations, and meetings. With members of
communities from 14 creative economy sectors, BCCF held a discussion every Wednesday night. There was also sharing among communities in the event. BCCF even co-organized the TUNZA international conference in cooperation with the United Nations Environment Programme (UNEP) and Indonesian Ministry of Living Environment. BCCF also invited a British Council team to share their experiences with an audience from the Bandung’s creative communities. Other activities are TEDxBdg and the SharingAcademy gathering, organizing the 4th Market Place of Creative Arts for South-East Asian countries with the World Islamic Economic Forum (WIEF), and community discussion with MTV Exit. Figure 4.4 below shows some of these international events.

Figure 4.4  
BCCF’s international events  
Source: BCCF


The aim of the creative economy programme was to make creativity a source of economic value added through the entrepreneurship programme and Creative
Entrepreneur Network (CEN). The activities included business talks, the Creative Entrepreneur Tour, and the Young Entrepreneur Start-up (YES). BCCF formed its CEN division to accommodate various types of creative entrepreneur/community. CEN functions as a network centre for creative economy actors, organizing events for networking and developing the skills and knowledge of local entrepreneurs through workshops, seminars, business clinics, etc.


The Creative Urbanism programme makes creativity visible through the city’s spatial arrangement. Several examples are:

a. City park arrangement with the slogan ‘one park one community’
b. Bike.bdg or Bandung Bike Sharing
c. Babakan Siliwangi as a World City Forest,
d. The City Acupuncture Programme (Creative Village Programme)
e. BdgCreACTive (Road to Creative Village 2012)
f. Semarak Bandung, a series of creative activities to intervene in Bandung City’s public spaces such as Reka Kota, Nyala Gedung Merdeka, and Bragakeun Bragaku.
g. Big lettering ‘DAGO’ in Cikapayang Park as a city branding strategy,
h. Public spaces for communities initiated by BCCF to increase Bandung City’s creative economy potential. BCCF opened public spaces named Bandung Creative Hub, known as Simpul Space I and Simpul Space 2. These two buildings facilitate many programmes by communities, such as exhibition, discussion, workshop, excursion, presentation, and gathering. This public space creation received good attention and was inaugurated by the Minister of Tourism and Creative Economy as well (Bandung Creative City Forum, 2012c).
These activities and events were proposed and organised by BCCF to give benefit to society. By doing this, the creative economy concept and how it should be developed were accepted without question by many parties. These parties realised the importance of creative economy development. Although BCCF, as a forum of communities, only generated creative economy programmes that were based on the cultural-cognitive pillar in the period of 2008–2013, it was successful in taking several actions which were claimed as Bandung’s intangible assets, such as Helarfest (Bandung’s first annual cultural festival), .bdg (branding for Bandung), the Surili mascot, and Bandung Creative Hub (Yudiman, 2013). Ridwan Kamil, in an interview, confirmed the limitations of BCCF’s role,

“...Last time, I was on the outside, and could only shout loudly and with limited movement” (Global Indonesian Voices, 2015).

What was done by BCCF in developing the creative economy in a cultural-cognitive way is related to the National Creative Economy Medium-Term Development Plan (RPJM), which was not implemented thoroughly in the regions. It is known that some local creative economy actors were involved in the arrangement of the RPJM document, so they already knew how important creative economy development was, although many local governments did not really understand it yet. This was explained by Participant 1:

“...And luckily, the writers of the book were indeed the actors as well, and they already know the essence, so some had started to apply it. So, in fact, organically and independently some artists began to do things that were written in the RPJM, without any direct support or orders from the government”. (Participant 1/Academic/Female)

This participant’s explanation shows that the writing of the National Creative Economy Medium-Term Development Plan (RPJM) also involved actors or business people from the field. They knew the field’s situation and conditions very well; therefore, they could run some programmes to move the local creative economy organically. After this section
explained the nature of creative economy development, the next section presents the role of the government in creating the institutions.

4.4 The Government’s Role in Creating the Regulative Institutions

This section presents the analysis of the government’s role, which dominantly created the regulative institutions in creative economy development. In the era of regional autonomy, which was applied in Indonesia as a result of the reformation in 1998, the central government does not have the strong authority to define the direction of regional development. This becomes an obstacle to the acceleration of creative economy development in remote areas. Some central government policies have not effectively had an impact at the regional level, while regional potential and problems cannot be directly responded to by the central government. This situation also impacted creative economy development. This difficulty is exacerbated by the difficulties in coordinating among related ministries, impeding the government officials in implementing the policy. The study by the formulator team of West Java Creative Economy Development Committee, conducted within five areas in 2011, revealed the difficulty faced by regional bureaucrats in applying the Presidential Instruction number 6 of 2009 as the policy foundation to develop the Indonesian creative economy (Iskandar, 2012).

Creative economy development in Bandung began to change after 2013. It was promoted faster, more comprehensively, and more intensively by the Bandung City Government under the new mayor, who was elected in 2013. It is believed that this is because the new mayor, Ridwan Kamil, was the co-founder and former chairman of BCCF for 2008–2013. This was when creative economy development was shaped. It can be said that the leading role in creative economy development was transferred to the Bandung City Government and some BCCF programmes became government programmes. Therefore, government

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8 Institutions that make people comply because they are rewarded for doing so, and vice versa. The processes in this system are rule-setting, monitoring, and sanctioning (giving reward or punishment) activities (Scott, 2001:51).
interest in the creative economy grew. Unfortunately, the role of BCCF declined somewhat after Ridwan Kamil became mayor. However, BCCF expanded its role to assist the provisions of local government and urban development (British Council, 2014c). BCCF still has some activities, but its official media shows no events information from 2013 to 2014. The BCCF blog (bandungcreativecityforum.wordpress.com) only shows BCCF activities from 2008 to 2012, while BCCF’s Instagram account (@bccfbdg) shows many activities from 2015 until now. In April 2018, BCCF created a new website (http://www.bandungcreative.id) but it was not updated up until 22 October 2018, and its ’Programmes’ and ‘News’ menus still cannot be accessed.

When elected as Mayor of Bandung, Ridwan Kamil showed the same passion as when he co-founded BCCF. He drew on his passion for community engagement, the potential of the creative economy, and his belief in the importance of design and the environment to renew the city in a range of innovative initiatives (British Council, 2014a).

Moreover, the roles of the Indonesian government, at the national, province, and city levels, in creative economy development, particularly in creating policies, can be seen in the chronological list shown in Figure 4.5 below.
In 2007, the Ministry of Trade published the Indonesian Creative Industries Mapping Report. In this mapping, the 14 sectors of the creative industries were identified based on an academic study on the Indonesia Standard Industrial Classification. This was derived from Statistics Indonesia’s data and other data sources, such as associations, creative communities, educational institutions, and research institutions (Ministry of Trade, 2008).

In 2008, the Regional Mid-Term Development Plan for Bandung City for 2008–2013 inserted the Bandung Creative City policy in its second mission, the first objective, and ninth target. It was also explained in the Bandung Creative City roadmap for the short,

In 2009, the creative economy in Indonesia was defined by Presidential Instruction number 6 of 2009, making very clear what is meant by the creative economy and its 14 clusters (President of Republic of Indonesia, 2009). Regarding this instruction, Participant 2 added:

“Even since 2009, there have been several studies to make a road map of the creative economy as one of the sources of revenue at the district/city level and it has become a source of national revenue through export since 2009.” (Participant 2/Academic/Female)

In 2011, as a follow-up of the 2009 Presidential Instruction, Presidential Decree number 92 was launched as an amendment to Presidential Decree number 24 of 2010, which included the formation of the Ministry of Tourism and Creative Economy (President of Republic of Indonesia, 2011). Part 19 of this decree also explained the function, authority, and organizational structure of the ministry.

In 2012, a provincial regulation was published, as Participant 2 described:

“West Java Province Government published a Governor Regulation regarding the Creative Economy Development Committee in 2012. This committee had been run for more than 2 years doing a variety of studies to see the awareness of businesses about the creative economy.” (Participant 2/Academic/Female)

The Governor Regulation mentioned by Participant 2 is Governor Regulation number 500/Kep.146-Bapp/2012. This committee was positioned under the West Java Province Planning Development Agency. It consisted of various stakeholders: academics, business people, government, and communities (Iskandar, 2012). As representatives from academics, there were marketing and human resources experts. KADIN (the Chamber of Commerce and Industry), as a group of business actors, was also involved, and there were
representatives of the West Java Provincial Government as well. Also in 2012, a Memorandum of Understanding (MoU) was signed between the UK and Indonesian governments on cooperation in the field of creative industries in London on 1st November 2012 and was valid from 2012 to 2017 (Indonesian & UK Governments, 2012). The MoU strengthened the connection between the UK and Indonesia for the exchange of information and the sharing of best practice, knowledge, and resources (British Council, 2013b).

In 2013, the movement of the central government was faster than before:

“Then after 2012, the government through the Ministry of Tourism and Creative Economy also had many budgets to help the creative industries SMEs, including fashion. They were given branding as the creative economy or creative industry actors, so they were more confident.” (Participant 2/Academic/Female).

Starting with conducting studies in Aceh, West Java, East Java and Bali, the Ministry of Tourism and Creative Economy prompted the provincial government to develop pilot project programmes. Although the policy implementation did not run smoothly, many parties saw this effort as a meaningful breakthrough towards a cultural-based creative economy development in the future (Iskandar, 2012). The implications in the fashion sector, in particular, were mentioned by Participant 2 and Participant 28:

“The Ministry of Industry declared Indonesia as the largest Muslim fashion industry in the world. The groundwork has been continuously done by the ministry. A big budget was issued by the central government through several ministries and the provincial government. This was sent to the district and city government.” (Participant 2/Academic/Female).

This statement of Participant 2 has been confirmed by a top official of the Ministry of Industry, as mentioned by the Ministry of Industry (2012). Moreover, the intention in a smaller scope of West Java Province was highlighted by Participant 28:

“This initiative was continued by West Java province government when they declared specifically the intention to enter the world’s Muslim fashion in 2020. Since it has become a target proclaimed by the
province, indeed many programmes support the fashion sector.” (Participant 28/Government/Female).

In 2014, the National Creative Industries Medium-Term Development Plan for 15 sectors, including fashion, was promoted by the Ministry of Tourism and Creative Industry. This plan set the direction for 2014–2019 (Ministry of Tourism and Creative Economy, 2014). According to Participant 1, there is specific information regarding this plan. It was published in the form of a book and distributed digitally. It can be downloaded free, so the public can easily read and understand it. She added:

“This functioned as the road map of creative industries development. The writing of this book also involved business people.” (Participant 1/Academic/Female)

In the context of Bandung, after the former chairman of BCCF, Ridwan Kamil, was elected as Mayor of Bandung in 2013, Participant 2 stated:

“There is no specific creative economy regulation initiated by the Bandung City Government.” (Participant 2/Academic/Female).

The condition of the creative economy in the specific aspect of regulation was noted by Participant 28:

“The regulations in Bandung are still macro, not even specific for fashion. We are only given a target to develop some sectors of the creative economy. And those which have become the favourite in Bandung and whose contribution to the city's economy have been seen are fashion, culinary and craft.” (Participant 28/Government/Female)

However, the regulation that clearly mentions the creative economy is the Bandung City Local Regulation No. 3 of 2014 on the Regional Medium-Term Development Plan (Bandung City Government, 2014). Participant 30 explained:

“As a specific macro regulation for the period of 5 years (2013–2018), there are several missions in this regulation. One of them is the 4th mission, developing a strong, progressive, and equitable economy. In the fourth mission, there are several targets to increase the participation of the citizens so that they can be active as entrepreneurs or can increase employment. New job creation programmes and new
entrepreneurship creation programmes are conducted to achieve the target.” (Participant 30/Government/Male).

The Regional Medium-Term Development Plan of Bandung City urges the development of the creative economy to support Bandung as a creative city as one of its targets. Furthermore, Participant 29 stated about the forming of the Creative Economy Committee of Bandung City:

“It was formed by the Mayoral Regulation in 2014. Its members consist of two elements, Bandung City Government officials and professionals. The main task is to map out strategies to exploit the creative potential of the city of Bandung to generate prosperity.” (Participant 29/Government/Female)

In 2015, there was the opening of Little Bandung Store, Little Bandung Mobile, and Little Bandung Wall in other countries. These openings were projects of the Bandung City Government to promote the local creative industries’ products, including fashion. Participants 1, 30, and 32 highlighted the Little Bandung project below. Participant 1 mentioned the three types of Little Bandung.

“So, we have Little Bandung Store, there is also Little Bandung Wall. Little Bandung Wall is just displaying the product, hoping the people who see it will order. About the Little Bandung Store, because this concept is still immature, still new, we are still looking for its shape. Actually, the government only helps to open the way.” (Participant 1/Academic/Female)

Participant 30 also mentioned the three types of Little Bandung, with two examples that were already opened.

“The response was good last year, for the Little Bandung Mobile and also Little Bandung Wall. We pioneered it from late 2015. Now there are some Little Bandung Stores, located in Malaysia and one was just opened at Husein Airport yesterday.” (Participant 30/government/male)

While Participant 32 recognised Little Bandung as a tool for international promotion.

“Bandung has a brand that has become a tool to go international named Little Bandung.” (Participant 32/Community/Male)
There was also an MOU of Little Bandung with three neighbouring regions, as mentioned by Participant 30.

“There was also an MOU of Little Bandung with three neighbouring regions, as mentioned by Participant 30.

“Bandung City Government involved and encouraged the government from neighbouring regions to develop creative industries. In 2016, the Mayor of Bandung signed the MOU of Little Bandung with three neighbouring regions.” (Participant 30/Government/Male)

Also, in 2015, a national government agency was created. To continue creative economy development at the national level, the President of Republic Indonesia published Decree number 6 regarding Bekraf (the Indonesian Agency for Creative Economy) (President of Republic of Indonesia, 2015a). This decree was amended in the same year by another Presidential Decree, number 72. The latest decree mentions the 16 sectors of the creative economy, which are applications and games development; architecture; interior design; visual communication design; product design; fashion; film, animation and video; photography; crafts; culinary; music; publishing; advertising; performing arts; fine arts; and television and radio. Due to the change of the central institution for the creative economy, the programme was rearranged by inviting the stakeholders to participate in the discussion, as mentioned by Participant 1.

“When Bekraf (Indonesian Agency for Creative Economy) was launched as a replacement agency for the Ministry of Tourism and Creative Economy, they made another Focus Group Discussion again, involving the quadruple helix entities.” (Participant 1/Academic/Female)

Another event recorded in 2015 was the awarding of Bandung as a member of the Creative Cities Network in the design category by UNESCO on December 11th, 2015 (UNESCO, 2015). Participant 28 stated this award was contributed by communities with support from the government.

“This achievement was the contribution of the creative communities with support from the city government. They applied to join UNESCO Creative Cities Network. However, the progress of creative fashion
industry also contributed to the award.” (Participant 28/Government/Female)

In 2016, Bandung Creative Hub was developed until 2017, as mentioned by Participant 28, a government official. She stated that it belongs to the city government. She also claimed that it was the only one in Indonesia and that could be more complete than one in Thailand, referring back to the mayor. This building is beneficial to all sectors of the creative industry. Some examples of its uses are mentioned below.

“This creative building will be a representation of all creative sectors. So, if the interest is fashion, later there is a place to design, continue to the runway, continue to know what kind of fabric, know how to dye. Later there is also a painting studio, there is a dance studio. Later there is also a design museum, a theatre for the indie film community. Essentially it will be a gathering place and exchange ideas between communities. (Participant 28/Government/Female).

However, such a hub was built by BCCF in 2011, named Simpul Space I, and in 2012, named Simpul Space II (Bandung Creative City Forum, 2012a). There has also been a development of a Fashion Work Unit within Bandung City Government, as Participant 30 mentioned below.

“And especially for fashion, one of its UPTs (Technical Management Unit) is located here. We focus here because in this region, Cigondewah, there are textiles and textile materials. So, then we develop the facilities, thank God it can be supported by the Local Government Budget and State Budget so that we are also supported with various tools.” (Participant 30/Government/Male).

In 2017, Bekraf (Indonesian Agency for Creative Economy) defined three strategies to achieve operational excellence, which were presented in the Bekraf’s Strategic Plan 2015–2019 (Indonesian Agency for Creative Economy, 2017b), namely:

1. Top-down strategy by defining the superior creative economy sectors, i.e. craft, culinary, and fashion and the priority sectors, i.e. film, animation, and video; games and applications; and music. Without ignoring the other ten sectors, the government ensures that the creative economy development programme gives
more focus to the superior and priority sectors. Superior sectors are the sectors that have a substantial contribution to the GDP, while priority sectors are sectors that drive other sectors of development.

2. Bottom-up strategy. Bekraf receives activity proposals from the local government and communities and selects the ones to be supported after curation by a competent team.

3. Coherent strategy. The creative economy development activities are conducted by every Deputy of Bekraf in an integrated way towards sustainability.

There are also some supporting activities that were conducted by the Bandung City Government to make the creative industries development more familiar. The activities are explained below.

First, Participant 2 mentioned there was a City Marketing Forum of Bandung City in 2008 that included quadruple helix representation. However, the forum did not explicitly address the creative economy, although it did include sectors of creative industries.

Second, the Bandung City Government supported the publication of Bandung’s Top Creative Products’ Book in 2015. Participant 1 explained that the title of the book is ‘Sight Unseen’. This is an information book for curated creative products made in Bandung. A step in this book’s creation was a focus group discussion (FGD), which involved quadruple helix entities.

Furthermore, it was recorded that the Mayor of Bandung issued Mayoral Regulation No. 1090 of 2015 on Accelerating the Creation of New Entrepreneurs. This is an indirect creative industries regulation. This programme selected 5000 registrants, who became 50 participants at the end of the programme. This operational regulation targeted the Dinas KUKMIndag (Office of Cooperative, SMEs, Industry and Trade) as one of the sector leaders for this creation of a new entrepreneurial programme. The steps of this programme
are Socialization, which is to promote the availability of the programme to the prospective SMEs; Registration, which is provided for interested SMEs to register to join the programme; Selection, whereby the registered SMEs are selected by the office to be included to the programme; Training, wherein the selected SMEs take part in training to gain additional skills and knowledge; and Mentoring and Promotion, including exhibitions, in which the participants are given mentoring and their businesses are promoted during the programme.

Besides the Mayor Regulation, there is also the Melati Loan launching. By joining this programme, business actors could get an unsecured loan of between IDR 500,000 and 30 million for a group of at least 5 people. This is a capital facility given by the city government. ‘Melati’ is Indonesian for ‘Against the Moneylender’. As at the end of 2016, it had facilitated 10,000 groups.

Another supporting activity is the launching of ‘Gampil’, an abbreviation of Gadget Application Mobile License. It is one of the facilities from the city government to facilitate the licensing of small and micro-businesses. From its launch in January 2016 to December 2016, it helped about 30,000 businesses, including creative fashion businesses.

It is also recorded that each year, the Bandung City Government can only facilitate 100 applicants for Intellectual Property Rights. The cost of around IDR 3 to 4 million per registration is too high for most creative business people. Further, the government invited some rising Bandung city designers and promoted them through the Bandung Great Sale event. They were assisted through promotion by the mayor and his wife’s social media. Lastly, the Bandung City Government helped the KICKfest (clothing festival) committee to liaise with the police about the safety of the event. The mayor also visited KICKfest as a form of support.
Based on these roles, it can be seen that the unspecific Bandung City Government regulations in some aspects of the creative economy were probably done by design. Participant 29 mentioned that the creative economy is a type of ecosystem, consisting of human resources, work, a healthy and fair market, and a research and development process. She believed that some of the city government policies addressed the ecosystem. She added that in 2015–2016, the city government issued many policies and regulations that supported the efforts towards creative industries advancement. Therefore, she emphasized the role of the government thus:

“Precisely if the government is too involved in the process of creation, it does not seem it can run. So, it seems to be released, but there is a certain level when the government is needed. Suppose when the actor already involves in the matter of import-export, taxation, intellectual property and so forth..” (Participant 29/Government/Female).

However, Soemardi and Radjawali (2004) show that the government’s planning lags behind the efforts of the creative business people. One evidence is that many distros and creative fashion stores have been built in several streets in Bandung, although the street’s zoning previously assigned by the government was for residential use.

4.5 Summary

Although some actors of the Indonesian creative economy were already running their business and many prospective actors were waiting to be developed in the mid-2000s, there was no specific policy regarding the creative economy at the time. Meanwhile, in developed countries, the creative economy has been recognised since the late 1990s. This institutional void was addressed by many of the activities explained in the previous sections. In the context of Bandung, the activities were started by the significant role of the community and continued by the government. Based on the involved party, the institutionalization of creative economy development occurred in a bottom-up approach and happened within the cultural-cognitive institutional pillar. Creative economy development was institutionalized without any compelling force since the institutional...
agent adopted the spirit of empowerment. The creative economy was developed organically and evolved because of many initiatives from the community. Furthermore, the institutional entrepreneur in Bandung’s creative economy development is the BCCF (Bandung Creative City Forum). BCCF spanned the institutional void, namely the unavailability of a comprehensive creative economy development programme. BCCF promoted the creative economy concept and encouraged all stakeholders to develop the creative economy, organizing and holding many events to promote the concept. Its efforts were recognised by the local and central governments as well as by international parties, such as the British Council and a Vietnamese creative economy activist. Its breakthrough was seen before the emergence of some government policies. BCCF is the representation of the community, the fourth helix of the quadruple helix model. BCCF is a community with at least 50 communities as its members.

To summarise the roles of quadruple helix entities in the creative economy development process, Table 4.1 below presents the statements regarding these roles made by participants in the interviews and other parties in some of the supporting documents. This table classifies the statements in the column ‘Discussion’ based on the role of each quadruple helix entity; meanwhile, the row ‘Participant’ shows the quadruple helix entities who made the statements regarding these roles.
Table 4.1
Roles of Quadruple Helix Entities in the Process of Creative Economy Development

<table>
<thead>
<tr>
<th>Participant</th>
<th>Business People</th>
<th>Academics</th>
<th>Government</th>
<th>Community</th>
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<tbody>
<tr>
<td>Business People</td>
<td>-</td>
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</tr>
<tr>
<td>Academics</td>
<td>- Business people knew exactly the situation and conditions in the field (Participant 1)</td>
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<td>Government</td>
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- BCCF perfectly gathers the creative organisations to give more impact to the development. This practice will be applied in Hanoi, Vietnam (British Council, 2014b).
- The BCCF initiative was validated when proposing Bandung as the Asia Creative City programmes (Detik, 2008).
- The development of creative economy in Bandung is greatly helped by the communities (Participant 28).
- BCCF developed the creative economy by asking for people’s involvement.
- (British Council, 2014c).
- BCCF recognised the 60% of 2.5 million population in Bandung who are under 40 years old people as the energy to develop the city and to encourage the creative youth movement (Cañeque & Serna, 2015).
- Other cities follow what BCCF has done since Bandung is the pioneer in involving communities (Bandung Creative City Forum, 2011a).
- BCCF organised 126 creative events during 2008 – 2013 to promote the creative economy and creative-based city development (Yudiman, 2013).
<table>
<thead>
<tr>
<th>Participant</th>
<th>Business People</th>
<th>Academics</th>
<th>Government</th>
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- Communities formed BCCF to put pressure on the city government (Bandung Creative City Forum, 2012a).
- The effort of the community is more powerful and sustainable as the grassroots collaboration (British Council, 2014c).
- BCCF invited Minister of Tourism and Creative Economy (Bandung Creative City Forum, 2012b).
- BCCF invited a team from the British Council (Bandung Creative City Forum, 2011b).
- BCCF villages programme (Cañeque & Serna, 2015).
- BCCF took command of the creative economy development in Bandung with its three major strategies (Fitriyana & Sofhani, 2012).
- BCCF organised and co-organised many events: discussion every Wednesday night, TUNZA international conference in cooperation with United Nations Environment Programme (UNEP) and Indonesian Ministry of Living Environment, TEDxBdg and SharingAcademy gathering, 4th Market Place of Creative Arts for South-East Asian country with World Islamic Economic Forum (WIEF), and community discussion with MTV (Fitriyana & Sofhani, 2012).
- Creative Urbanism programme: one park one community, Bandung Bike Sharing, creative activity series to intervene in Bandung City public space, Big lettering ‘DAGO’ as a city branding strategy, and Bandung Creative Hub (Bandung Creative City Forum, 2012c).
Table 4.1 also highlights the important role of the community in the process of creative economy development in Bandung, which is represented by BCCF. This role is indicated by the substantial amount of evidence on BCCF’s actions and its impact. This can be seen by the fact that most statements were made by the representative of communities, followed by the government officials’ statements, while business people made fewest comments. However, no opinions were stated by academics regarding the community’s role. Regarding the role of the government, statements were disclosed by the government officials and the members of communities that emphasized the important role of the community. The ‘community’ column in Table 4.1 also indicates those elements of the creative economy development process that were conducted by BCCF.

Table 4.1 underlines the significant effort from the members of BCCF in spanning the institutional void related to creative economy development in Bandung. The unavailability of a comprehensive programme to develop the creative economy in Bandung was successfully addressed by BCCF. BCCF’s initiative to promote creative economy development was conducted without any force or any punishment for any party who did not want to follow it. Hence, this can be categorised as a cultural-cognitive process. BCCF is a forum for creative communities in Bandung and it encouraged many parties, including the government, to develop the creative economy from the grassroots. Hence, this action can be considered as a bottom-up approach. Figure 4.6 below shows some of the discussions, meetings, and lobbying conducted by BCCF.
Since it was first founded, many communities from the area of Bandung joined BCCF in advancing creative economy development in the city. In general, these communities represented the sectors of the creative economy. One of the representatives of communities is KICK (Creative Independent Clothing Community), which represents the fashion sector. As can be derived from the explanation in the next section, BCCF is considered as the fourth element of the quadruple helix model.

Further, the next section presents the arrangement of KICK as an informal association of clothing businesses, which can also be considered as institutional work. How KICK was organised and its role in helping its members cope with the underdeveloped institutional environment are also explained.
CHAPTER 5. ARRANGING THE INFORMAL ASSOCIATION OF CLOTHING BUSINESSES

5.1 Introduction

As mentioned in the first section of the previous chapter, there are some conditions that indicate the underdeveloped institutional environment in the creative industries in Indonesia. This underdeveloped institutional environment led to the institutional voids found by this study. This chapter specifically explains the second void found, the void related to the organising of an association of clothing businesses in the local context. Arranging the informal association of clothing businesses is presented second because it happened in the smaller scope than the first finding and involved limited actors, but still worked toward the same goal.

This chapter explains the institutional work in an organisation that impacted many clothing companies in Bandung and other cities in Indonesia. The way this organisation organised its activities helped clothing companies to handle the underdeveloped institutional environment, such as the absence of sector-specific bank lending schemes, the violation of Intellectual Property Rights (IPR), and brand registration problems. The organisation is an informal association of clothing businesses named KICK. KICK, in English, is an abbreviation of Creative Independent Clothing Community. KICK created certainty and security for its members in a situation where the underdeveloped institutional environment was being experienced by the clothing companies in Bandung.

While the previous first finding of this study disclosed the shaping of the creative economy by a community at the city level, this second finding shows the setting within an organisation, in this case KICK, which has a city-level impact.

On 12 June 2006, the Bandung Clothing Businesses Communication Forum was established, after which KICK was formed in September 2006. The founding of KICK aimed to increase communication and coordination among clothing businesses to advance
the business. KICK has four divisions, which handle the legal, business development, marketing, and event aspects. The most interesting point of this association is its informality. It is not managed as a formal organisation with many procedures and rules. Although KICK has organised some successful events that involved hundreds of fashion brands and attracted thousands of audiences, its permanent members comprise only 20 brands, and 11 of their representatives serve as the organising committee. Nevertheless, their significant contribution can be seen from several national-level recognitions.

The first sign of recognition is that the model of organizing the association is followed by clothing businesses in other cities. As the first association with a unique way to organise itself, what has been done by KICK has been imitated in two other major cities in Indonesia, namely Yogyakarta and Malang. This was mentioned by Participant 31, who is the chairman of KICK:

“I think Bandung is the first and automatically it was contagious. Viral... Yogyakarta’s and Malang’s brands saw it, they still talked they wanted to be like us. They honestly like to say, “We really want to be like Bandung chapter’s administration, together, giggling. Well, we are still a bit difficult for that.” (Participant 31/Community/Male).

Another of KICK’s achievement is the KICKfest, claimed to be the first clothing festival in Indonesia. It has been held every year since 2007 and is always enlivened by the performance of Indonesia’s top bands and performers. The latest 2018 KICKfest XII involved 200 brands, and 70 organisations were invited as its media partners (KICK, 2018). Even in 2014, KICKfest was claimed as the biggest clothing expo in South East Asia (KICK, 2014). The event was considered a reflection of the struggle of the Indonesian clothing industry to liberate itself in the homeland as a local creative movement. 2018 KICKfest XII event was held not only in Bandung but also in Yogyakarta and Malang, while two other events were held in Surabaya and Jakarta, named Indie Clothing Expo. There is a significant increase in the number of exhibitors from year to year, although not all these brands participated in all three cities’ events. Not
only the numbers of exhibitors but also the size of the audience has been increasing. Ridwan Kamil, the Governor of West Java, expressed appreciation of the above-target KICKfest audiences in Bandung. Around 90,000 buyers were recorded at the event in Bandung in November 2018, which far exceeded the target of 60,000 (Kamil, 2018). Previously, the event held in Yogyakarta in August 2018 had targeted 30,000 visitors (Widiyanto, 2018) while Malang’s event in September 2018 had targeted 40,000 visitors (Memontum, 2018). The organisation of KICKfest from 2007 to 2018 can be seen from the posters shown in Figure 5.1 below:

![KICKfest posters](image)

**Figure 5.1**
KICKfest posters
Source: KICK

KICK has also gained trust from banking. In 2009–2010, when the clothing industry was not seen by banks, KICK’s members were approved for financing by a bank. The bank saw their good potential and created a special financing scheme, with KICK designated as the loan guarantor. Participant 31 added that some clothing business people from other cities were jealous of what was happening in Bandung when KICK organized its members. KICK membership is considered to give a higher guarantee of success to clothing entrepreneurs, and KICK has a great influence on the daily life of its members.
Becoming a KICK member makes it easier for clothing businesses to cope with the underdeveloped institutional environment. Further explanation of how KICK organises its organisation and its members is presented in the next section.

This chapter discusses KICK’s effort to span an institutional void. KICK successfully organised itself and its members when any other way to organise the informal association of clothing businesses was unavailable in the local context. The content of this chapter consists of the analysis of KICK’s informality, the way it organised the informal association of clothing businesses, and how KICK shaped the members’ operational management. In the summary section, the roles of the parties related to the manner of KICK’s organisation are also presented.

5.2 KICK’s Informality

The explanation of the informality of KICK is presented here. KICK’s informality highlights the characteristics of this association, especially in the interaction and administration aspects. In Indonesia, a common basic step for the establishment of an association is registration as a legal entity. A legal entity is an organisation or association that is founded with an authenticity certificate and it is treated as a party that has rights and obligations under the law. The KICK organising committees stated that KICK is an informal organisation as well as a communication forum. The only legal aspects for its establishment were KICK’s notary registration and simple statutes and bylaws to manage the organisation. According to Participant 35, who was one of KICK’s founders, KICK’s statutes and bylaws were not decided through a special meeting but were only created to fulfil the requirements of notary registration.

Participant 31 stated that KICK was not registered as a legal entity. It was only validated by or registered to a notary. With this kind of registration, there is no legal sanction if there is a violation of KICK’s registration. Participant 35 mentioned that the notary registration was signed by 24 brands, which can be called the founders. KICK’s founding
was triggered because of a claim from one party, who claimed credit for a group of Bandung’s clothing businesses in an event, the Indonesian Production Expo, which the clothing businesses did not recognise. Therefore, the members of this group thought they should form a special association and finally agreed to create KICK. However, after KICK gained its reputation, the lack of KICK’s registration was exploited by another party, who used ‘KICK’ as the first word of his brand name. Realising the risk of abuse of the name, KICK’s chairman took a decision, as mentioned by Participant 35:

“After the incident, KICK was registered by the chairman as a brand name, so was KICKfest.” (Participant 35/Community/Male)

The other evidence of KICK’s informality can be seen from the recruitment of its members, which was based on closeness. Closeness was also applied when 24 brands founded KICK. Participant 31 highlighted the members’ recruitment and KICK’s type of organisation as follows:

“But this depends on the closeness as well, because KICK is not a formal organisation.” (Participant 31/Community/Male).

Moreover, he emphasized the existence of KICK as just a forum with an informal environment. He mentioned the convenience of KICK’s character as an informal organisation.

“KICK cannot be called as an association since it is realised as only a communication forum. People will become lazy if it turns into a standard association. Very formal. So, it is much better like this, Afternoon coffee, this is blah blah blah, and so on. They’re all out.” (Participant 31/Community/Male).

Participant 33 added that KICK’s informality is based on the common goals and common benefits principle of its members.

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9 The quality of affection or intimacy in a relationship
“Even though KICK as an organisation is already structured and registered now, everything that happens within the organisation itself is informal, based on the common goals and benefits of members. For example, when having a gathering, we together discuss bank loans and debt. Just like that. Lots of chats at those meetings.” (Participant 33/Community/Male).

Although there are some business people organisations available in Bandung, KICK was claimed to be the only specific organisation in the clothing sector. All its members are youths. Participant 36 mentioned the difference between KICK and other associations below.

“KICK is specific for clothing... a good reputation. The (previous) event was considered successful, so people wanted to join the event. Because it was packed well. Many (people) had an assumption, joining the Kickfest would raise the branding level.” (Participant 36/Business/Male).

Further evidence of KICK’s informality is its organising committee arrangement. KICK does not have a strict limit on the length of service in the chairman’s position or on the organizing committee. Participant 31 disclosed that the current chairman of KICK has served for nine years, although he actually wants to be replaced. The explanation of KICK’s notary registration, absence of legal sanction for violating KICK’s registration, the closeness-based members’ recruitment, the manner of interaction within the association, the common goals and benefits principle, and the chairman and organising committee arrangement are all solid evidence of KICK’s informality.

This section explained KICK’s characteristic of the informality, which helped in the effort to span institutional void. Furthermore, how KICK organised its organisation is presented in the next section.

5.3 The Way of Organising the Informal Association of Clothing Businesses

This section presents the organisation of KICK. It is established that founding an association for a specific sector’s business people is easy. This kind of organisation is
managed and arranged using some or many formal procedures and rules. However, there is no example in the local context for the arrangement of an informal association of a specific sector’s business people. Hence, this section discloses how KICK organises the association when there is no available model to follow. The way KICK arranges its activities, members, and interactions with other parties has resulted in the advancement of the clothing industry, not just in Bandung but also in the national context of Indonesia. KICK has not only promoted its members and Bandung’s clothing environment through several activities but has also expanded to other major cities, such as Jakarta, Yogyakarta, Malang, and Surabaya, and encouraged these cities’ clothing business people to follow KICK’s success. This section analyses KICK’s institutional work as an informal association of clothing businesses. The route that was taken by KICK consists of the arrangement of membership, the members’ openness principle, and the arrangement of the organisational structure.

The first explanation regarding the way of arranging the informal association of clothing businesses is about KICK’s membership. Participant 31 mentioned the previous requirement in term of business duration for a fashion brand to join KICK. The brand should be at least four years old to be accepted as a member of KICK. From the perspective of KICK’s committee, a company that had successfully run a brand for at least four years was considered as a serious clothing business. The committee realised that the clothing business has a low barrier to entry, but a lot of new brands fail because they are not serious. The decision to put four years old as the minimum requirement to join KICK was set just after KICK was established. However, as previously mentioned, KICK’s first approach to recruit members depended on closeness, since the chairman noted that KICK is an unofficial organisation. Besides this, the KICKfest has also become a medium to recruit new members, who are named ‘friends of KICK’ according to Participants 31 and 35. Other criteria to select brands as KICKfest participants were
sharing the same vision or attitude toward the local movement and upholding the originality value. The brands were not expected to be purely sales-oriented. They should have a high dedication to the local movement as well as be responsible for their originality. The organization of KICKfest can be seen in figure 5.2 below.

![KICKfest Atmosphere](image)

Figure 5.2
KICKfest Atmosphere
Sources: dyandra.com, jabarekspress.com, kapanlagi.com, kontan.co.id

Participant 35 even stressed that KICK’s members are only those 24 brands that signed the notary registration. KICK has two types of membership: permanent members and associate members, also called ‘Friends of KICK’. The current chairman also started as a KICKfest’s participant before he was elected as the chairman in 2009. The closeness can be seen from this new chairman’s election, even though his brand is not one of KICK’s founding brands. The basis of closeness and how KICKfest is utilised to recruit new associate members was mentioned by Participant 31:

“If the chairman or other committees know him/her and he/she wants to join, let’s go. Because they know that even if it is run for (only) 2 or 3 years, he/she is already serious in the business. Just invite them. So now they always say that KICKfest participants are members of KICK
as well. Like that. It seems easier to see the overall development of the brand.” (Participant 31/Community/Male).

Furthermore, Participant 36, who participated in KICKfest in 2007–2011 and 2015–2018, confirmed the difference between permanent and associate members. Associate members are only involved in KICK’s events. He knew that KICKfest participants can be called KICK members, but their rights and obligations are limited to the events held by KICK. He admitted that he had never filled in any form regarding membership and had only received information about the events from KICK.

“In term of membership, we have not filled any form. We are just accommodated in a group. We gain information if there is an event. Just like this.” (Participant 36/Business/Male).

Regarding membership, Participant 31 added that the associate members of KICK come not only from Bandung, but also from Malang, Yogyakarta, Jakarta, Solo, Surabaya, and Bali. In the beginning, KICK’s membership was 24 brands, and all originally came from Bandung. Half of them are still active. The committee realised the difficulty of filtering new members and decided to utilise KICKfest as the medium for this. The committee sought brands from outside the association for development since KICK’s development could not depend solely on the committee. Participant 36 mentioned that when an event is held in the near future, the associate members will first be informed by the committee. If there are still spaces left that are not being utilised by the associate members, the committee will invite clothing companies which are not registered with KICK. He added that he did not know the rights and obligations of KICK members. The clear rights and obligations of associate members are only applicable to the exhibition. An associate member has the obligation to pay the rent fee according to the rules, obey the limitations about layout, and adhere to other rules related to the exhibition. It is their right to join the exhibition. His emphasis on the associate member’s position is shown below.
“It is limited to the event only, whether to join the whole year event or just several events. It is written. We fill the form saying which event we want to join, in which city, and end with the obligation to pay the fee and so on.” (Participant 36/Business/Male).

Regarding membership, Participant 35 mentioned the impact of KICKfest on KICK’s members when he was still active on the KICK committee. In the past, one person from each permanent member’s brand was given a trip to Singapore due to the successful KICKfest organisation, and KICKfest’s profit was used to pay the cost of the trip. Moreover, the profit was also used to subsidise the members’ registration fee for the next KICKfest. Hence, each permanent member could gain a cheaper registration fee. Participant 35 had served KICK as a head of the field and decided to cease his activity in KICK in 2009. However, he never resigned from KICK. A few KICK founders have also been inactive for a couple of years but were never considered to have left the association.

KICK’s way of organising the association cannot be separated from its members’ openness principle. A lot of important information is easily shared between members without any miserly feelings when there is an opportunity in KICK’s forums. Participant 9 gave the following example of the openness principle.

“We often have meetings (among KICK’s members). Just usual meeting. They are not stingy. Just exchange information. Not a big deal.” (Participant 9/Business/Male)

In addition, Participant 31 explained why KICK’s members are not reluctant to share information with other members, namely because of trust. They believe in each other. An example of this trust was presented by Participant 31 when a member wanted to make a copy of another’s Standard Operating Procedure (SOP), who did not prohibit it.

“When I made SOPs, structures and I shared them. Some of them said, “Can I make the same one?”, “Please”. I will also adopt new things from others. Suppose the production system and so on.” (Participant 31/Community/Male).
Moreover, the members’ openness principle happens not only in discussions or conversations but also in the form of visits. Without worrying about company confidentiality, a member may invite another member to his/her office or workshop and give them some information. Participant 31 gave an example and outlined the punishment for breaking trust, as follows.

“... or even you can visit the place if you want. We can also know it by chatting. They are honest. Suppose (you ask), "How many articles will you produce for the Eid el Fitr?" They will say, "50, 100, 200". "How many pieces per article?", "Approximately 250 or 300 pieces". So, it is very open because I believe every brand will issue different designs. They will be seen if they steal others’ designs, and there might be a social sanction.” (Participant 31/Community/Male).

It can be seen that the risk of the members’ openness principle is the abuse of trust. Although it can cause the exclusion of a member, the most common punishment for this violation so far are only social sanctions. Participant 1 gave an example of a social sanction that was executed within the hijab\textsuperscript{10} businesses association, which is managed in an informal way.

“Probably being ostracized. Kicked out from the group. So, there are many groups in fashion. This community or group is not visible here. So that's how it works in the fashion industry.” (Participant 1/Academics/Female).

The members’ openness principle was implemented by KICK’s members in Yogyakarta and Malang as well. Furthermore, KICK’s members from Bandung promoted the openness principle through clothing events in other cities, such as KICKfest in Malang and the Indie Clothing Expo in Surabaya. Almost 50 per cent of these events’ exhibitors were brands from Bandung. However, this level of openness depends on the characteristics of each member. There is no formal requirement for members to be open, but the members eventually realise the benefit of openness. Participant 31 explained:

\textsuperscript{10} Muslim women’s clothes
"Oh, that depends on the member. (They are) not required to be open, actually. But in the end, they feel more positive when they are open. More fluid. There is no obligation. If they want to hide (something), we never force them. But usually, they will be happy to be open since they know the positive side.” (Participant 31/Community/Male).

Openness has helped all KICK’s members to do business because of their friends’ sharing of information. Some bad experiences were also shared, such as the loss of a few hundred million rupiahs and being cheated by accounting staff. A member who had a bad experience shared with the others how he/she survived. Sometimes, one member’s data was shared if another member asked and discussed something. Openness clearly affects the competition, which happens predominantly in Bandung. Participant 33 mentioned the relationship between the members’ openness and competition as follows.

“That's good for us, there is a competition but healthy. Especially KICK Bandung. There may still be a cover-up in other cities.” (Participant 33/Community/Male).

Participant 33 also added an example of members’ openness within KICK. For instance, a brand will not hide the place of a jacket’s production from a competitor. He will even give the vendor’s phone number. However, the participant was not sure if this habit also occurs in other cities.

Openness is practised both by committee and non-committee members. The other basis of this openness principle is the members’ understanding of the business fortune that has been arranged by God. This openness caused KICK to never impose regulations. KICK also applied this principle to non-members. Participant 33 asserted that there was no discrimination experienced by non-members. KICK’s members accepted invitations for discussion from non-members to talk about solutions together.

Participant 9 mentioned that the background of this openness principle was related to the culture of the Sundanese. The Sunda are the tribe that dominates the West Java area, of which Bandung is the capital. He stated, however, that openness has a negative side
besides its positive side because the information shared is spread very fast among members.

“Probably because of the Sundanese people. Their friendly culture, happy to gather. So maybe it's easier to be open. Eeh... The community is easy here, exchanging ideas is easy. So, positive or negative info will spread quickly.” (Participant 9/Business/Male).

Participant 31 related openness to the nature of the fashion business in Bandung, which originated from the community. The strong sense of helping, as one characteristic of the community, is implemented by KICK’s member within the association.

“This is actually the power of the community business. I can see from my own experience. Our friends will not be happy when we fail. It’s true. They will think hard about how to make their friend rise. Because I experienced it. When I told them about my bad situation, they definitely found the solution. They analysed others’ management (and advised), “maybe you should lower the production” or “you do not focus anymore” something like that.” (Participant 31/Community/Male).

The members’ openness principle promotes common goals and benefits among KICK’s members. Participant 33 gave an example of the decision on the strategic booth locations in KICKfest, which previously was dominated by the KICK committee. After realising the spirit of common goals and benefits, since the 2016 KICKfest, the committee has decided to draw lots to choose the exhibitors’ booth locations. Previously, the committee has a privilege of choosing the location of the booths, and the KICK committee realised that this conduct was not fair.

“It’s not good to others (exhibitors) too. So, starting this year in three city series, treatment for the committee is equalized with others. Let all be fair to have the same treatment.” (Participant 33/Community/Male).

Members’ openness as a benefit of joining KICK was emphasized by Participant 9, whose brand has been registered with KICK since it was founded.

“So actually, it’s more for communication, to exchange some thoughts about this business. Because all have the same interest. There are so
many problems, so there is so much information from there. Exchange of information as well as knowledge. So, we can succeed in this field.”
(Participant 9/Business/Male).

This openness was also mentioned by Participant 1, an academic. She gave an example of how an informal association, which she called a gang, provides benefits to its members. Its members organically conducted sharing sessions to accommodate a learning process.

“They told each other. "Why do I like this?". So, they shared a story among them. It was already quite a learning as well... Organically opened. Because they were friends also with fellow makers and designers. So, their talks were about the same topics too. They got the knowledge from there. They were really organic”. (Participant 1/academic/female).

Besides informal face-to-face meetings, communication among members as well as between members and the committee is also accommodated using online messenger applications. There is an official WhatsApp group that was created by KICK’s committee as an online communication tool, according to Participant 36.

Based on the several explanations with examples presented above, it can be seen that the members’ openness principle is an important aspect in arranging KICK. Trust and belief about fortune form the basis of this principle. Mostly, the punishment for the violation of this principle is social sanction. This principle also allows positive and negative information to spread very quickly among members. The Sundanese culture and the community-based fashion brands are additionally considered as the background of this principle. However, the members’ openness is limited. It does not happen generally to all members, although it is easy to find among permanent members or among associate members, based on closeness. This is understandable since the principle is not regulated by KICK. Based on his experience, Participant 36 stated that the discussion between associate members and the committee, who are also KICK’s permanent members, only happens regarding events and rarely about daily business problems. His statement is shown below:
“We have not been facilitated to acquire easiness from other parties such as a supplier. We negotiate the price on our own. But I don’t know if among the committee. There is no (information regarding supplier) distributed to us.” (Participant 36/Business/Male).

After explaining KICK’s membership, it is also important to discuss its organisational structure. To organise the informal association of clothing businesses, KICK has adopted an organizational structure with a very flat hierarchy. There are only two layers in its organisational structure: the chairman and the organising committee. According to Participant 35, the structure in the previous period consisted of a chairman, a secretary, and four heads of field. The four fields were legal, business development, marketing, and events. In that period, Participant 35 served as a head of field. The common goals and benefit spirit was represented by the placement of 11 people as the organising committee from a total of 20 permanent members. The arrangement of the organisational structure does not have strict regulations on the term of office. Due to this leeway, the current chairman has served for 9 years. KICK has had only two chairmen; the first chairman served from 2006 to 2009 and the current chairman served from 2009 until 2018. Despite its flat hierarchy, KICK’s organisational structure was not clearly known to the members. For example, participant 36 admitted that he did not know the complete KICK structure. He just knew the chairman and he realised the committee had not changed for a long time.

“The one that I know is the existence of the chairman, I don’t know about other fields since structurally they are not open to the members. The committee has not changed from the past until now... I just knew the chairman, but his subsidiary like a secretary, treasurer, and other fields probably exist, I have not seen the structure.” (Participant 36/Business/Male).

Furthermore, although Participant 35 was one of KICK’s founders and Participant 31 mentioned that KICK has statutes and bylaws, Participant 36 was not sure about the availability of this document, since he had not seen it since his registration as a KICK member. He also doubted whether a member had the potential to develop the organisation
or be selected to join the committee. In fact, he was very sceptical about the opportunity of members to become KICK committee members.

“I have not asked about it and I see there is no gap to enter. Hahaha...That’s a lifetime committee. Hehehe..” (Participant 36/Business/Male)

On the other hand, Participant 31 confirmed a newly appointed committee member who was previously just an associate member. The contribution of this new member of the committee was seen in the KICKfest 2018, when he was assigned as a talk show moderator. Even Participant 35 admitted that the current chairman had also been an associate member before being selected as KICK’s chairman. The contradiction between Participant 36’s statement and those of Participants 31 and 35 indicates a particular way of fulfilling KICK’s organisational structure which was not disclosed to all associate members.

This section provided an explanation of how KICK’s permanent members and committee spanned the institutional void related to the organising of an association of clothing businesses in the local context. The next section exposes how KICK helped its members to deal with the underdeveloped institutional environment.

5.4 Shaping the Members’ Operational Management

The way of organising KICK also shapes the members’ operational management. For a clothing company, becoming a KICK member is a way to cope with the underdeveloped institutional entrepreneurship. The fluid interaction among members offers an opportunity for a member to easily learn other members’ experience in running their businesses. In the previous section, it was shown that this kind of interaction is supported by KICK’s openness principle. By using the KICK ‘umbrella’, members increase their bargaining power when dealing with other parties. Some benefits accrue to clothing businesses by becoming KICK members. As well as helping them to cope with the
underdeveloped institutional environment, sources of support include brand registration, resolving the non-performing special loan scheme, mediating loan offers, and managing trends.

The organisation of KICK was envied by clothing companies from the other cities, who wondered about the organisation of KICK and the benefit gained by the clothing businesses as KICK members. Participant 31 mentioned the jealousy of other cities’ clothing business.

“There is always, envy. Why can something like this happen in Bandung? Maybe they see it like this, they want their brand to be like Bandung’s. So, Bandung becomes everywhere finally. Because of its flexibility.” (Participant 31/Community/Male).

As mentioned by Barlian et al. (2014), one factor that causes clothing businesses to fail is managerial incompetence, meaning if a business actor lacks management or leadership knowledge. Many are creative and focus on creating unique products but lack sales, finance, and business administration skills. This is also supported by the educational backgrounds of the clothing companies’ owners, which were not related to business or management. For example, Participant 9, the owner of Company O, was a communication studies graduate; Participant 15, the owner of Company M, was a design studies graduate; Participant 31, the chairman of Association K and the owner of Company F, was a law studies graduate; and Participant 33, the business development manager of Association K and the owner of Company A, was an electrical engineering graduate. The fluid interaction among members run by KICK helped its members to cope with their lack of management and leadership knowledge as well as to face several issues specific to the clothing business.

Participant 31 stated that others who saw KICK from outside would not see its function. He believed that people knew that KICK was not a formal organisation. The KICK committee felt the coolness of KICK’s internal environment, which indicates the real
conditions of KICK. Even they referred to KICK as just a communication forum since all the members are involved there. By joining KICK, a clothing business is considered to have a higher guarantee of success because KICK enables sharing that can lead to understanding brands’ strengths and weaknesses. The sharing opportunity is believed to be priceless since members will learn from others’ experiences. A member can chat with another or create an open group discussion on a specific topic. An example of such interaction was given by Participant 31:

“We are more like this, chatting. "How is your production, how is SOP?". Or for example about the event, "Do you have a special team for the event?", like so. Continue to finance, "Is there already an accounting system?" So more personal matters, sometimes (are discussed) when hanging out.” (Participant 31/Community/Male)

Further, Participant 36 emphasized that sharing members’ problems was conducted personally and not in a big forum, including the online messenger group. KICK has an indirect role in introducing members to others in KICK events.

“There is a discussion, but its nature is personal. It’s rarely done in (WhatsApp) group. The discussion or information sharing is more with the people that are close to me. We discuss the material, recommendation, et cetera... Actually, I know some through KICK events. After I know them, a personal discussion is held.” (Participant 36/Business/Male).

Through KICK, the clothing businesses overcame the lack of managerial knowledge and faced the underdeveloped institutional environment by learning from the success stories of others. Many things were learned by doing. For example, they asked other members many things, and this was what helped them to survive. Because they had friends within KICK, they were assisted. This knowledge sharing was considered KICK’s habit. Another example of the fluid interaction within KICK was presented by Participant 31:
“And the good thing in us is we are not stingy. If we have a good and cheap production vendor, we will be very happy to let our friends know. That's great at KICK. Because in other industries probably they are a little bit stingy, I don’t know. But the bad thing is when one brand experienced a period of crisis, late payments and so forth, well this will spread too. That's ugly. Hehehe…” (Participant 31/Community/Male).

During the journey, KICK tried to set a policy for all its members, but it failed due to the different abilities of each brand. Participant 31 explained this as follows:

“Price setting for example. We used to have a plan to set the price among us. But it’s hard. It is back again to the ability of the brand. Brand A, suppose he is more able to order materials from the factory. Automatically he receives a special price. He implements a lower production cost. So, it automatically lowers the selling price as well when compared with friends who bought (materials) from a supplier or agent. It was difficult for us to set it. It was a discourse but got cancelled.” (Participant 31/Community/Male).

Managing staff was also a problem faced by the clothing companies, and this topic was also discussed between members in an informal way. KICK’s role was simply to provide an environment for sharing and giving input. This usually worked. Participant 33 added his experience regarding the fluid interaction among KICK’s members:

“It is informal indeed because we depart from the community, not an official, raw, and patent body. We began from ordinary chat, so we never interfere in that aspect.” (Participant 33/Community/Male).

Participant 33 admitted that most of the informal discussions were helpful. However, what was shared was based on a member’s experience, so another member who received information might not absorb it all. There would be a filtering process to choose which suggestion could be used.

Another aspect that was shaped by the organisation of KICK is brand registration. The KICK committee pays special attention to the brand aspect. They emphasize and warn the members about brand registration. For all aspects of branding, KICK assigned a brand
consultant as its partner. This became KICK’s concern because the most suitable item to be registered in the clothing industry is the brand, while copyright and patents are less relevant. Since design constantly changes and the waiting time for design registration is around one year, the design registration process is not worthwhile. The design is already out of date when the registration is ready.

To cope with the underdeveloped institutional environment in the Intellectual Property Rights (IPR) aspect, KICK as a clothing businesses association recommended a brand consultant to their members to register their brands in the early stages of the business. However, some of them delayed registration due to bureaucracy and cost. Design copying is a problem regarding IPR as well. However, imitators are never severely punished. The cases are mediated and end with peace between the conflicting parties, or the imitators are merely excluded from the group or informal association. Some companies produce designs and continuously innovate to avoid their designs being copied and pirated, as mentioned by Participants 9 and 36. This is related to the strength of the design of Bandung’s fashion brands, as stated by Participant 30, a top Bandung government official. It is difficult to eradicate piracy in Indonesia. Sometimes the inability of a clothing company to meet the high demand due to the lack of working capital pushes imitators to conduct piracy or forgery (Barlian et al., 2014). KICK’s effort to provide a brand consultant for its members and the continuous design innovation applied by the clothing companies were the strategies used in the clothing industry to cope with the underdeveloped institutional environment from the IPR aspect.

KICK also helped its members to resolve the non-performing special loan scheme. A bank named Saudara Bank (currently known as Woori Saudara Bank) decided to give loans to KICK members by creating a special loan scheme for them in 2010. In this scheme, KICK became the guarantor since the bank had studied the potential of KICK and its members. However, some brands faced instalment payment problems, and t
funding was not used for the stated purpose. Following this situation, the chairman of KICK became the target of the bank. The chairman mediated with the members responsible for the bad debt and asked them to be honest with the bank. The bank finally rescheduled the instalments of the bad debt over 2–3 years. It should be noted that access to funding is a major problem in developing SMEs in Indonesia, including fashion businesses. This problem was emphasized by Akhmad (2014), Ministry of Tourism and Creative Economy (2014), Utami and Lantu (2014) and Barlian et al. (2014). Technical finance and asset issues are the most common specific obstacles for creative SMEs, like KICK members, in accessing funding.

The problem of accessing bank funding was also experienced by Company C in 1989, as mentioned by Participant 4. As the pioneer of the clothing business in Bandung, Company C had received a loan from Niaga Bank (currently CIMB Niaga Bank) for investment and working capital. At that time, a staff member from the bank was placed in Company C’s office to be involved in daily operations to supervise the usage of the loaned funds. However, there is no evidence that this kind of action was replicated later. Company C’s experience in 1989 and the Saudara Bank’s special loan scheme for clothing companies that were registered as KICK members in 2010 show the underdeveloped institutional environment, particularly in terms of the access to funding for creative business. KICK’s good reputation thus helped its members to face the institutional environment.

Moreover, another aspect that shaped the clothing business through KICK’s organisation is the mediation of loan offers. After the situation when a special loan scheme resulted in bad debt among some KICK members, KICK changed its role from a guarantor to act only as a mediator. Participant 31 explained this role as follows.

“So, suppose there is an offer from the bank, we only act as a facilitator, deliverer. We invited the bank and the members as well. Please contact (the bank) directly. KICK is only an intermediary. Later if someone (a KICK member) is interested, he/she will follow up. If a
loan scheme is taken by a (member) company, then others will know. This usually happens in KICK.’” (Participant 31/Community/Male).

Participant 33 also added that the KICK committee did not encourage all members to borrow from the same bank, although KICK was invited by many banks to sign a loan cooperation. Finally, regarding the loan aspect, a member who has had a good experience with one bank will recommend this bank to the other members. Later, if most KICK members have a loan agreement with one bank, this should be the result of one- or two-members’ recommendations and not the decision of the association.

Trend management is also an aspect that shaped the clothing business as an impact of the KICK arrangement. This aspect has a relation to the fluid interaction among members. There was no provision for trend management, from KICK as an association to its members, but the interaction among members within KICK helped the clothing companies to manage trends. Participant 31 showed how trend management was conducted by KICK members, whereby one brand will imitate another brand to produce a similar product that has a good sales record. The imitator will change a little bit of the design when producing the product.

“That's wild. There is no provision from us. Suppose there was a trend for light colours, eventually, all changed like that. There is no direction from KICK, just personal (interaction) among brands. Well, that's good in KICK... Our members are not stingy. Which I am still amazed about until now, they will not stingy. So, it's a high openness.” (Participant 31/Community/Male).

Moreover, as an associate member, Participant 36 mentioned the role of KICK in providing a medium for its members to sell through its events. This is related to his previous statement about the rights and obligations of associate members, which are only limited to events held by KICK. He also conveyed that KICK was not seen to create the programme for the members’ development.
“KICK just makes a medium to sell here and there. The rest depends on each brand. KICK just accommodates an exhibition to sell, and it’s done with a discount. The development of the members has not been seen. I have discussed this with one of the founders since the past time, the members’ development has not been seen. Some brands are successful, but some are not. For those who are not successful, there is no solution to help them.” (Participant 36/Business/Male).

Participant 36’s statement confirms KICK’s intermediary role for the clothing companies, particularly for the selling purpose through KICK’s events. KICK created a supportive environment for its members to have a productive interaction within its activities, although this only happened among permanent members and between permanent and selected associate members.

It can be seen that KICK helped the clothing companies to face the institutional environment through some activities, such as registering brands, resolving the non-performing special loan scheme, and mediating loan offers. KICK can help its members because of its good reputation, which resulted from an issue experienced by the association since when it was founded. From the very beginning, before a group of clothing companies founded KICK, this group was claimed by a party who took credit for it. After the group was registered and named KICK, the success of early KICK events was exploited by a company, and the ‘KICK’ name was made the first word of a clothing brand. KICK’s reputation also attracted a bank to create a special loan scheme for the KICK members at a time when accessing funding was very difficult. Even when some members had trouble in repaying the loan, KICK chairman successfully persuaded these companies to renegotiate the loan, since KICK was appointed as the loan guarantor for this scheme. The organisation of the KICKfest is also evidence of KICK’s good reputation, strengthened by the sustainability of the KICKfest for 12 years, the increasing number of visitors and buyers each year, the increasing number of cities holding such events, the continuous sponsorship from the biggest mobile operator in Indonesia, and the cooperation with a national-level event organiser company. The Bandung City
Government has even supported KICKfest since 2008, as noted by Participant 28. Participant 36 acknowledged KICK’s reputation in terms of the event since it has participated in the event regularly. He realised that the event held by KICK is still one that must be attended because of its reputation and high level of sales. He has been joining the event for the last two years for two reasons, namely existence and selling.

“The (previous) event is considered successful, so people want to join the event. Because it is packed well. Many have an assumption, to join the Kickfest will raise the branding level. Hehehe... (the level) is recognised.” (Participant 36/Business/Male).

However, Participant 35 added that the main objective of KICK’s founding was to advance Bandung’s clothing industry together and not only to organise events. He believed that KICK could give more support to clothing companies that are in a bad situation. He mentioned the idea of setting up a cooperative to support KICK members, particularly in terms of financial matters. It is understandable that KICK is more focused on the organisation of KICKfest because of its success, whereby KICKfest built KICK’s good reputation. The first event in 2007 involved 107 clothing brands from nine cities. The transactions recorded in this event were worth IDR 3.5 billion and the total number of visitors was 300,000. In 2008, KICKfest started to be held in Yogyakarta and Makassar, not only in Bandung. The event in Yogyakarta attracted 64,000 visitors and resulted in IDR 5 billion worth of sales. The same amount of sales was recorded in Makassar, which was attended by 42,000 people. Lastly, 2008’s event in Bandung recorded IDR 15 million in sales and 350,000 visitors. Thus, KICKfest has made a very significant contribution to KICK since the beginning of its organisation.

When using the creative economy development model in Indonesia, the quadruple helix, it is also important to explain the roles of quadruple helix entities in the organisation of KICK. Since developing a way to organise an informal association of clothing businesses
can be considered as institutional work within an association, the biggest role is contributed by the permanent members of the association. Some brands’ representatives who founded and run KICK are the most important entities in arranging the association. They have developed KICK to become a respected clothing businesses association and have gained a good reputation not only in Bandung but also at the national level. This reputation is an intangible asset which is very beneficial, as shown in the previous section. One of the biggest benefits is the organisation of KICKfest.

Participant 31 confirmed that there was no significant government role in KICK’s management, although the government did appear as a supporter, particularly when KICK held events. Here is Participant 31’s confirmation regarding the government’s role:

“*There is no (assistance) from the government because we made KICK without any government assistance. We just created this KICK community. In the present day, the government involvement is just as a supporter.*” (Participant 31/Community/Male).

Participant 33 even confessed that the government’s involvement in the event held by KICK was only for show. He remembered a KICK event that had been used to only increase the image of a ministry. The ministry offered some money to the exhibitors of the event and the exhibitors who accepted the money had to place an announcement in their booths saying that their businesses were supported by the ministry. Participant 33 stated that the amount of money offered was not large and he did not like it to be claimed that exhibitors were being supported by a ministry. He felt that he was being trapped by this kind of action and he did not want to accept such an offer again.

“*There was an involvement of the government when we had an exhibition in Gasibu Field. In each booth was written, "Scouted by Department of Industry". Whereas the money received was not too big. We do not know yet, but (had) only (been) given money from the department some millions (Rupiah).”* (Participant 33/Community/Male).
Nevertheless, Participant 33 mentioned that KICK had been supported by the Bandung City Government. KICK was invited to have a discussion with the mayor. Although the mayor merely proposed a location that could be used by KICK to hold its events, he felt this was a good government action. He liked their aspirations to be accommodated by the government. There was also no significant role from the academics, as confirmed by Participant 33, although academics contributed to educating the designers who create designs that have enabled the clothing industry in Bandung to become a famous sector.

The importance of the association and its benefit for the members was emphasized by Participant 29 as follows:

“To cope with the underdeveloped situation, I see there is a power when these local brands in the fashion field are grouped. So, they will have more bargaining power, will be more vocal if they are on behalf of the association or the group of something.” (Participant 29/Government/Female).

She saw the potential when fashion businesses are united in an association. Regarding this matter, KICK has proven the benefits offered by the uniting of clothing businesses in Bandung. Its reputation enabled its members to receive bank lending through a special loan scheme. Joining the association was considered a way to sustain the clothing businesses, as stated by Participant 32.

They are merely joined in the form of communities or associations.” (Participant 32/Community/Male).

This statement also indicates the importance of the association and its benefits to its members.
5.5 Summary

To summarize the roles of the quadruple helix entities in the organisation of the informal association of clothing businesses, the discussion regarding these roles is presented in Table 5.1. Table 5.1 below presents the statements regarding these roles made by participants in the interviews as well as other parties in some supporting documents. This table classifies the statements in the column ‘Discussion’ based on the role of each quadruple helix entity, while the row ‘Participant’ shows the quadruple helix entities who made the statement regarding these roles.
Table 5.1.
Roles of Quadruple Helix Entities in the Organisation of the Informal Association of Clothing Businesses

<table>
<thead>
<tr>
<th>Participant</th>
<th>Business People</th>
<th>Academics</th>
<th>Government</th>
<th>Community</th>
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<tbody>
<tr>
<td><strong>Community</strong></td>
<td>-</td>
<td>-</td>
<td></td>
<td>- KICK is the first and automatically the idea spread to other cities (Participant 31)</td>
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<td></td>
<td>-</td>
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<td></td>
<td>- KICKfest was claimed as the first clothing festival in Indonesia, held annually (KICK, 2018)</td>
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<td>- KICK’s statutes and bylaws were not decided through a special meeting (Participant 35)</td>
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<td>- KICK was only validated by or registered to a notary (Participant 31 and 35)</td>
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<td>- Closeness is the basis for permanent member and committee recruitment (Participant 31, 35, and 36)</td>
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<td>- The committee realized that KICK is only a communication forum, not an association (Participant 31)</td>
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<td>- informality is based on the common goals and benefits of its members (Participant 31 and 33)</td>
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<td>- KICK does not have a strict limitation for the length of service for the chairman position and members of the organizing committee (Participant 31)</td>
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<td>- KICKfest is a medium to recruit the associate members (Participant 31 and 35)</td>
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<td><strong>Government</strong></td>
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<td>-</td>
<td></td>
<td>- Appreciation of KICKfest’s audiences exceeding the target (Kamil, 2018)</td>
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<td></td>
<td>- The power of group and more bargaining power (Participant 29)</td>
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<tr>
<td><strong>Academics</strong></td>
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<td></td>
<td>- Only social sanction applied for a member’s violation (Participant 1)</td>
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<tr>
<td><strong>Business People</strong></td>
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<td>-</td>
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<td>- KICK members’ openness principle (Participant 9)</td>
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<td>- Associate members are only related to the KICK’s events (Participant 36)</td>
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<td>- Associate members have the rights and obligations which are limited to KICK’s events (Participant 36)</td>
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<td>- Associate members do not fill in a membership form (Participant 36)</td>
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<td>- The openness principle is applied on a closeness basis (Participant 36)</td>
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<td>- Meetings also utilised an online messenger application (Participant 36)</td>
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<td>- KICKfest has a good reputation (Participant 36)</td>
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<table>
<thead>
<tr>
<th>Participant</th>
<th>Business People</th>
<th>Academics</th>
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- KICKfest profit has been used for its members’ travelling (Participant 35).
- Permanent members can be inactive without resigning from KICK (Participant 35).
- Fluid interaction and internal business matters are commonly shared among each member under the openness principle (Participant 31 and 33).
- Possibility to adopt another member’s strategy or action (Participant 31).
- The strong sense of helping as one KICK’s characteristics (Participant 31).
- Very flat hierarchy of organisation structure and little information about this structure to all members (Participant 31 and 35).
- KICK helps its members in the matters of brand registration, resolving the non-performing special loan scheme, mediating loan offers, and managing trends because of its reputation (Participant 31).
- Despite its reputation, KICK has not been seen to create a programme for members’ development (Participant 35).
Table 5.1 shows the dominant role of KICK’s permanent members in running the association, as can be seen in the ‘community’ column. The column contains statements related to KICK’s activity, while there is only one statement outside the ‘community’ column. This domination is understandable, given that the organisational arrangements are carried out within KICK.

Table 5.1 indicates the significant effort from KICK’s permanent members in spanning the institutional void through an informal association arrangement. The way KICK’s permanent members run the association attracts clothing businesses from other cities to follow the KICK way. According to Table 5.1, the dominant role of the permanent members also represents the role of institutional entrepreneur.

The institutional work conducted by KICK’s permanent members in running the association is very strongly influenced by its informal characteristic. Some aspects that show KICK’s informality are KICK’s notary registration, the closeness-based recruitment of KICK members, the manner of interaction within the association, the common goals and benefits principle, and the chairman and committee arrangement.

The institutional work conducted by the permanent members consists of the arrangement of membership, the member openness principle, and the arrangement of the organisational structure. KICK’s committee sets the KICKfest as the medium to recruit new members, whereas recruitment was previously only based on closeness and the age of the business. KICKfest functions to recruit associate members, while closeness is still implemented to select the members of the committee, although the chance for an associate member to join the committee is very small; nevertheless, the current chairman is an associate member who became the KICK chairman. In addition, the members’ openness principle is an important factor in organising KICK. The basis of this principle is trust among members. They share a lot of information with fellow members. This principle helps KICK members to do their business based on their friends’ sharing. Another basis
of this principle is an understanding of ‘fortune that has been arranged by God’. This openness also brings a spirit of common goals and benefits among its members. Meanwhile, the most common punishment for a violation of this principle is social sanction. The Sundanese culture and community-based fashion brands are considered as the background of this ‘common goals and benefits’ principle. However, the members’ openness principle is not applied to all KICK members, particularly associate members. The third aspect that indicates the institutional work is the arrangement of the organisational structure. KICK’s structure is set in a flat hierarchy, with no time limitations on service for its committee.

The underdeveloped institutional environment in the fashion industry can be more easily handled by the clothing companies after becoming KICK members. The fluid interaction among its members gives an opportunity for them to learn from others’ experience in running their businesses. By using KICK’s ‘umbrella’, members benefit from KICK’s good reputation. This reputation has helped the clothing companies to face the underdeveloped institutional environment through some of KICK’s activities, such as brand registration, resolving the non-performing special loan scheme, and mediating loan offers.

KICK permanent members demonstrate their effort to span an institutional void. The KICK committee, who are also its permanent members, successfully organise the association and all the members, whereas a concept to organise an informal association of clothing businesses is unavailable in the local context. The way they arrange KICK’s activities, members and interactions with other parties has successfully resulted in the advancement of the clothing industry, not just in Bandung but also in the national context of Indonesia. There is an unwritten barrier to interaction between associate members and permanent members, some of whom serve on the committee. Hence, fluid interaction only happens among limited members. The limitation is also applied in the recruitment of
associate members to go on KICK’s committee. It shows that the closeness applied within KICK is selective. This condition was a part of the institutional work that was conducted by KICK’s committee in terms of recruitment for the committee. Despite this limited fluid interaction and selective closeness applied within KICK, KICK has played an important role in the development of the national clothing industry and has gained a good reputation that has only grown over the years.

The next section describes how the community-based fashion brands were created by members of communities although there was no coordination among them.
CHAPTER 6. COMMUNITY-BASED FASHION BRANDS CREATION

6.1 Introduction

After presenting creative economy development institutionalized by a community and the informal association of clothing businesses successfully arranged by the association’s permanent members in two previous chapters, this chapter presents the third finding of the study, namely community-based fashion brand creation. As mentioned in the first section of the previous chapter, the underdeveloped institutional environment led to institutional voids found by this study. This chapter specifically explains the third void, which is related to micro and small-scale fashion brand creation in Bandung. The community-based fashion brand creation is presented third because it involved many actors, but each of them acted in their own interest. Although uncoordinated, the result of each of their actions had a significant impact on the city level, then spread throughout the country.

However, before moving on to a deeper explanation, it should be noted that the community discussed in this section refers to a group of people who have the same interest, hobby, or particular characteristic. All the leaders of fashion companies studied, namely the two academics, one government official, and three representatives of the community helix, emphasized that the success of Bandung’s fashion brands occurred because of the communities. Most local creative fashion brands initially tried to provide the clothes needed by the communities. Moreover, some brands were created by the communities themselves. After becoming famous within communities, some brands were liked by wider audiences and gained more public customers. Moreover, this phenomenon was accepted and realised by the creative fashion actors in Bandung in the following sections. Figure 6.1 below shows the logos of some famous Bandung fashion brands that originated from or were inspired by the communities.
In detail, the first section presents the actions taken by fashion entrepreneurs to deal with the underdeveloped institutional environment, namely by creating community-based fashion brands. How *distros* became the sales channel for community-based fashion brands is explained in the second section, while the roles of the quadruple helix entities in creating community-based brands are discussed in the last section. Further explanation will be done to consider how the members of communities who became fashion entrepreneurs created community-based fashion brands.

### 6.2 How Community-Based Fashion Brands Were Created

Previously, influential members of youth communities used imported fashion goods and became trendsetters for their circle. Many members tried to follow their style but could do so only to a limited extent due to the unaffordable cost of fashion products. The imported products favoured by a particular community still had a good market price at that time. Most imported products were sold in specialist or hobby shops, which make these products more exclusive.

One pioneer community-based fashion brand in Bandung was Reserve in 1994 (Handayani, 2007b). Reserve was first established in a room at Sukasenang Street, Bandung, as a music studio and shop – it was known as a *distro* later – that sold CDs,
cassettes, posters, t-shirts, magazines, and other imported foreign band accessories. It was a meeting point for several communities from different genres of music, such as punk, hardcore, and grunge. However, when the economic crisis happened in 1997, the price of imported products increased sharply, and the demand for imported fashion goods fell because of the low purchasing power. Influential community members, as the users of the imported products, started thinking about creating their own fashion products in order to maintain their preferred style. At first, they produced the products conventionally in a limited number. These products were only used within their limited circle. The consumption of imported fashion products gradually changed to the consumption of local products as an impact of the emergence of local clothing brands in Bandung. This emergence was considered as one of the pioneering efforts in Indonesia (Anindita, 2017). The users of imported products shifted to become local product producers. Fortunately, this change in the supply pattern opened up a wider market opportunity. Due to the potential demand and lower production cost, more of these local products were produced by the producers, albeit still in limited production batches. The followers who previously could not afford to buy imported products became able to buy these local products, and so were able to continue with their favoured style. Moreover, the limited production was also being promoted and ‘limited edition’ was used as a selling point by the producers. Even in some cases and for special occasions, they set up a pre-order programme to sell their products. From this perspective, it is admitted that the 1997–1998 economic crisis was a blessing in disguise since it led to good progress in the development of the local creative fashion industry. According to Irawati (2011), there are also two factors that influenced the communities to produce their own clothing products. First, the communities felt that the mass fashion products symbolised ordinariness. Second, fashion products from China sold in many factory outlets were very popular at that time and the
community thought that these did not characterise Bandung’s products. It was also observed that fashion brands were rarely produced by micro and small companies. In creating a community-based fashion brand, the community observes a similar community abroad and produces products after modifying the reference products. Participant 3 took the example of a punk community in producing community products. The most common product was t-shirts.

“Once behind the BIP Shopping Mall in the 2000s, there was a punk community that used DIY. They designed, made and used (products) by themselves. They observed foreign countries as reference or referral. But the reference was reprocessed to fit the conditions here.” (Participant 3/Academic/Female).

Some fashion brands were initiated by independent community activists, such as Dadan Ketu, who launched Riotic, which provides self-produced fashion products for the punk community, and Dandy, who opened 347 Boardrider to serve the surfing, skateboarding, and BMX rider communities (Barlian et al., 2014; Soei et al., 2016). Other local brands that emerged in 1998 following the economic crisis were Airplane and Company O, which originated in the skateboarding community (Barlian et al., 2014). Products from these local fashion brands were well received and became a youth trend. The products’ design represented the characteristics of particular communities. Moreover, community-based fashion brands tended to last a long time. Besides being the target market as well as customers of the brand, the community also played a role as the brand image builders and the definers of the company identity. The emergence of these brands – Airplane, 347 Boardrider, Company O, and Riotic (initially born as a distro) – is also considered as the early time of the rise of the Indonesian creative fashion industry (Handayani, 2007b). Bandung’s young people were good at adopting global design if they made comparisons with other cities. They could translate global trends into new lifestyle commodities and turn them into local trends. They redefined the coolness they acquired to fit their context.
Drawing in the spirit of independence, most of the fashion local brands formed to fulfil the needs of communities. Generally, a brand is connected to one particular community. Hence, community-based fashion brands began with fulfilling the need for a limited circle, usually the influential members of the community. Then, the production was spread to fulfil the needs of many more community members. One example is Riotic, which was created by nine members of the punk community. They produced and released their community’s music record, published their own magazine, opened a small store to sell their collective products, and supported punk rock and underground music events in Bandung (Barlian et al., 2014). Soemardi and Radjawali (2004) added that independent label bands distributed not only songs but also music-related merchandise such as t-shirts through the distro. Another example is 347, a brand that produced products on a limited scale at first, namely only for the surfing community, and then produced more products to reach public consumers as the brand became more famous outside its community (Anindita, 2017). The rapid shift of 347 happened in 2003 when wearing the brand became a top trend on Bandung’s fashion scene. Uttu (2007) believed that this was the first time a brand came out from its underground niche market to serve the larger mainstream market. After that, this kind of business form spread over several big cities in Indonesia.

The success of the community-based fashion brands inspired some general brands to change their orientation, becoming community-based brands. Since the 347 brand not only sells clothes but also integrates many creative elements, it has become an icon of clothing business success. Another example of this kind of business form is Maternal Disaster, a fashion brand that serves the hard-core music community (Soei et al., 2016; Anindita, 2017).

As an example of a community-based brand in the skateboarding community, Participant 9 explained his experience of starting his fashion brand based on skateboarding. This
sports hobby expanded into a lifestyle. Since then, the focus is not only on skateboarding itself but also on skateboarder fashion and daily life. Everything related to skateboarding can be sold as a commodity. The lifestyles of famous skateboarders were spread over the world and followed by many skateboarding enthusiasts, not only skateboarders, including in Indonesia. Skateboarding-related fashion goods were first distributed to Indonesia as imported items. A big change occurred when the 1997 economic crisis happened. Due to the sharp increase in the price of imported products, some local products were produced as substitutes. There was a switch in consumption from imported to local products. This situation was clearly explained by Participant 9:

“Well, actually a very big change was the 1997 monetary crisis. So automatically all prices were up. This brand was not born yet. The rise included the clothes as well. There used to be many foreign brands we used, from top to bottom. Automatically, the rise was very very high. Actually, the beginning was from there, we wanted to make a fashion product that could represent us. So, we made everything very independently, alone. So, we initially created (products) to represent the community.” (Participant 9/business/male).

In an entrepreneur seminar, Participant 9 also confirmed his company’s approach to the youth community (Idris, 2016). Since there was no social media in the late 1990s, he accessed prospective customers by distributing brochures designed and photocopied in an A4 paper format. He frequently distributed brochures to youth community gathering places. Unfortunately, this strategy was not successful. After he realized that his customers were skateboarding community members who followed the skateboarders’ lifestyle, he strengthened the community basis by endorsing some famous skateboarders as well as indie bands. Indie bands were included since the company understood that skateboarding is about not only the sport but also the lifestyle. Besides skateboarding, skateboarders have a specific preference for the music performed by certain indie bands. These indie bands were endorsed by the company since they also had their own community, allowing the company to reach the indie band community as well. Later, the
brand was successfully promoted by word of mouth within the skateboarding and indie band communities.

It is observed that the producers made their local fashion brands mostly related to hobbies, such as skateboarding, surfing, cycling, music, or motoring, or for religious groups, such as for Muslim people. Another example that shows the development of a community-based fashion brand that arises from the music community was mentioned by Participant 28, a government official. This is an example of the limited circle of usage of community-based fashion products, which expanded to the consumption by many more community members as well as the public. The fashion products were first produced by and for musicians, who just wanted to express their own style by designing their shirts. Since these musicians had many fans and they often wore their self-designed shirts, the market for these products was opened. Subsequently, a commercial strategy was initiated by opening a store or by putting the products in distros. This situation is explained by Participant 28:

“Well, these musicians have a wide network everywhere. They could make the design of their CDs or "I want to wear my own design shirts", so they designed them. Finally, the distro grew. So finally, it (the brand) was developed.” (Participant 28/Government/Female).

On the other hand, the production of community-based fashion products was also used by communities to fund their events. For example, when a music community planned to organize a concert, they sold fashion products to gather money from the members of the community. Furthermore, the products were sold to the public as well. This good progress was followed by opening a shop. As Participant 3 explained further:

“What distinguishes Bandung from some other places is its community. The community is not only a medium to gather together as an after-hours activity, but from there also appeared the startup in the field of fashion. They did not only fulfil the needs of their own communities.” (Participant 3/Academic/Female).
Participant 3 also gave an example of a music community in the Ujungberung area in Bandung. When they wanted to hold a concert, they sold several products to the members of the community to pay for the cost of the concert. By word of mouth, the products also spread out of the community. This continued until they had a distribution label and had a shop in Sultan Agung Street.

Participant 3’s statement is consistent with Uttu (2007). He mentioned that distros were related to the underground music community, whereby the fashion products were created as band merchandise and worn by band members during gigs.

In the 1990s, this fashion industry took off from the community grassroots with a give-and-take concept. Hereby, business people not only sell the products but also give something real to the community (Lestari, 2017). Regarding the effort of the community in making their own fashion products more commercialised, Participant 2 also added:

“Well, that community turned out to be one of those embryos that are related to the participation of practitioners for more commercialisation. The commercialisation of creative industry products.” (Participant 2/Academic/Female).

The emergence of fashion brands that come from communities was emphasized by Participant 31, a chairman of a clothing businesses association. He mentioned some brands and the communities they came from, such as skateboarding, surfing, and motorcycling. Participant 31 also disclosed the main factor in establishing a clothing business:

“Because of the hobby, because they like it. Like Mr M of Company O comes from the skateboard community. Dendi of Unkl 347 comes from the surfing community and Windy of Flashy with her girl basis. They wanted to make a different product and something not available yet at that time. There is Blank Wear, his hobby is motorcycling. He supports teams in the Ujungberung area. It started from there.” (Participant 31/Community/Male).
Participant 31’s statement is also supported by Handayani (2007b). The action taken by these members of communities shows their initiatives in coping with the conditions faced, as mentioned by Participant 1, an academic, about the potential fashion market. Some of the examples given previously are fashion brands that were organically built by and for communities. Thus, the emergence of new local independent fashion products turned into a trend. Young people, particularly in Bandung, felt that these community-based brands accommodated their interests and idealism of style; moreover, their prices were more affordable. By using these products, they could be perceived as members of a particular community, even though many customers of these brands were not members of the communities. The successful brand building that originated from the communities inspired other communities to follow a similar form. This matter was underlined by Participant 35:

“There were many communities recorded in Bandung such as old motorcycle enthusiasts, BMX riders, hip-hop, electronic music, breakdance, grindcore, punk rock, and so on, and they had specific appearance and style. They realised they could make their own fashion products after some communities had independently made their fashion products earlier.” (Participant 35/community/male).

The emergence of this business form was also subsequently transmitted to the communities and brands because it brought the concept of specificity (Iskandar, 2006). Furthermore, Participant 3 emphasized that the community-based concept in fashion industry continued to regenerate. Business people customized their products to meet the market needs.

There was also a producer who wanted to reposition his existing brand. From his old brand, he built a community-based fashion brand that was rooted in skateboarding, BMX, and indie music. To make his brand as close as it could be to the community he was targeting, he invited some important members of the community to be consultants. He
wanted to have a real community-based fashion brand. Participant 21 explained his experience of building a community-based brand as follows:

“We have community brands such as ‘F’ and ‘M’. It was heavy because our base is casual, so there was a consultation before designing. Who were the consultants? We picked from the community. Their lifestyle, they communicated, we must understand, even though we were not actors, to go on.” (Participant 21/Business/Male).

Discussing fashion products cannot be separated from the design matter. These members of the community fed the fashion company with suitable designs. Therefore, the management of the fashion company does not have to think about the basic ideas of the design, and they can focus on other aspects of the business. According to Participant 21, he believed that the decision to delegate the basic ideas of the design was the best strategy for his company. He admitted his limited design competence and wanted to focus on other operational aspects. He took a brand ambassador from the community to function as a consultant for the design. He explained this matter as follows:

“They lifestyle is the object to be lifted. So contents are fulfilled by them (community consultants). So, I never want to go into content. It is wrong if I enter it. Why wrong? Because we are not the experts.” (Participant 21/Business/Male).

Furthermore, detailing and specifying the design of community-based fashion products was also emphasized by Participant 4:

“It must be specific as well, for example, the automotive-based brand than more detail of its type. His research should be able to involve the target market as well so that the product can be accepted by the market.” (Participant 4/Business/Male).

Prior explanation shows that a community-based fashion brand can widen the scope of the community. For a brand that starts from a community or one that decides to serve a community, there are no constraints on serving outside the chosen community. It is known that every community has its own enthusiasts; hence, the fashion brand’s market reaches at least to the enthusiasts. An example is the rap music community. There are a lot of
people who like rap music and want to be recognized as rap enthusiasts, even though they cannot sing or perform a rap song. In order to become recognized, these people are interested in buying and wear rap-related fashion products. Since there is also an opportunity to reach markets outside the community, fashion entrepreneurs can use a strategy to strengthen and enhance their market share. This strategy can be taken as long as the brand maintains its main platform. Regarding this, Participant 9 explained:

“It's wider now. It used to be originally from the community. But the scope (there) is really small. So, we are wider now. But not leaving that (community) too. Because we still support indie bands. Well, if we talk about the skater lifestyle, the people who like clothes do not necessary also love skateboarding. They just love the style. Why do we support indie bands? I think they have a bigger influence; they are more loyal. So, they are proud to wear their products, with their band’s label.” (Participant 9/Business/Male).

Sometimes, the good progress of these local fashion brands made some big brands become interested in producing similar products. However, these big firms are still dominated by mainstream fashion themes. If they try to produce a community or root-related product, they just make a simple design without any further details or even make the wrong design. Participant 21 elaborated on this as follows:

“The root is sometimes caught by casual (clothing). Casual (clothing) is going everywhere. When the motorcycle theme is happening, they draw a picture of a motorcycle, even though they put the wrong image of the engine. When there is a surfing trend, they draw waves. H & M, Pull and Bear are all casual. They play with everything, all the themes. Well, the casual (clothing) brand will be very different than working on a community brand.” (Participant 21/Business/Male).

Based on the previous explanation, basically, there are two types of community-based fashion brands regarding their establishment. The first is brands which are created organically by a community and whose products are offered primarily to its members as well as some others offered to the public. An example of this type was mentioned by Participant 3, who explained how a music community made their own fashion products.
The second is brands developed by a company, whose products are intended for sale to the members of a particular community. An example of this was given by Participant 21, a fashion brand owner who confessed that he was just a business entity, but his brand was developed specifically to target the skateboarding, BMX, and indie music communities. The progress of this business form application can be seen from the number of clothing businesses several years later after its initiation, whereby there were 200 to 300 clothing brands recorded in 2003-2004 (Suherman, 2009).

These two ways of establishing fashion brands are not the membership programmes created by brands. The community is formed naturally, then a brand is created and products are produced, as mentioned in the first type of establishment. For the second type of establishment, the taste of the community must be reflected in a brand as naturally as possible. It should be seen as a bottom-up aspiration. As time goes by, the main consideration of many new local fashion brands is communities’ needs fulfilment. This was emphasized by Participant 34:

“The key to whether the brand will survive or not is the community. If you have a community, God willing. The community is highlighted by people everywhere. It becomes the trendsetter. Well if that is already so, it’s already easy to direct. Actually, many multi-brand stores do like this. But, if you do not have a community, it can rarely last long. If you already manage one community, they (customer) will keep coming because there is a trendsetter.” (Participant 34/Business/Female).

Participant 34 also gave an example of how important the community is. She runs a Muslim women’s fashion company in Bandung and explained her experience in the Muslim fashion and hijab business. She explained the situation when the hijab was not very popular in the early stages. There was the hijabers community in Jakarta, a community of Muslim women who wore the hijab and its accessories. She wanted to insert her products into that community as they would be popular if used by this community. The success of the biggest hijab shop in Indonesia was analysed as being due
to attracting the hijabers community. It also had a dozen stores in several areas. It experienced significant growth in only a year. However, it is currently closed since it was abandoned by the community. From this experience, she realised the importance of the community, especially when the community is influential. She suggested that when there is an intention to open a store, no matter how ‘cool’ it is and how good the products are, it should attract a community to come because it is hard to sustain a fashion business if it does not have a relationship with a community.

When a fashion brand defines itself based on a community, the brand creates, maintains, and supports the community’s activities. Since the community is the main consideration of this concept, the brand maintains the community very well. Participant 3 gave an example of how the hijab-wearing community is maintained by a Muslim fashion brand:

“So, there was a store as the shelter of the hijabers community. So, they were given a place, facilitated if there was any event, very supported. So, if there was any activity, it would definitely be there.” (Participant 3/Academic/Female).

Furthermore, Participant 15 described a Muslim fashion brand that planned a community event and treated the community to a special occasion:

“At least one day I still want a private preview, so they are invited. It has an influence on sales. Continue to a friendly customer gathering. In Eid al Fitr we like to make something for the best customers. There is a list. They are happy to be given a gift. That’s for maintaining the customers.” (Participant 15/Business/Female).

Regarding the community, Participant 5 explained not only the strategy of maintaining a community as their main target market but also the benefit of doing so. His company always tries to be present in every partner’s event. For example, there is an annual event agenda of a classic bicycle club, held four times a year throughout Indonesia, and its official merchandise products are supported by Participant 5’s company. So, indirectly, he already knew the potential of getting involved. In short, Participant 5 stated:
“In a simple way, it maintains clients/partners and seeks new opportunities such as co-branding, partnership, sponsorship, and community relations.” (Participant 5/Business/Male).

The ability to maintain the community can be considered as the special characteristic that should be associated with fashion business people. Participant 1 emphasized this matter as follows:

“Must have a network, it is essential in fashion. Anyway, when you talk about fashion, the keyword is the network. That's the core. Because the most important for now is no longer the design but rather to market and branding. Well, branding will not be cool if you do not have the network.” (Participant 1/Academic/Female).

In a perfectly competitive market, a slice of the target market cannot be avoided by any brand, even though a brand serves a particular community and when there are brands that serve the same community. Hence, uniqueness is the keyword. Sometimes more than one brand share the same target community. The strategy for the brand in this situation is communicated by Participant 31:

“Say they have the same hobby but (the style) has been preceded by others. Let's say, "Ok I will follow". Surprisingly the result was good. There are many things like this happen. They survive too. So, there are many loyalists.” (Participant 31/Community/Male).

Participant 33 added that slices among community-based brands are unavoidable because they play in the same field and have a similar market and similar buyers. He believed in competition, but in a healthy way. They even organize some events together and share information amongst themselves:

“...well, we do not close the information. The principle is fortune has been arranged. For example, we close the information about a seller who sells cheap materials, as we will not become rich too. Yes, the members do have principles like that.” (Participant 33/Community/Male).

Moreover, a community-based brand has benefits in targeting the international market. Participant 21 thought that creating a community-based brand is the best strategy to
promote fashion products for the global market. He realised that his company could not provide casual clothing since many western markets are seasonal and it is hard to compete with existing global brands. Hence, hobby fashion is the solution since it can be worn anytime and anywhere. His argument was expressed as follows:

“So, what should we do? Our vision must be international. Our brains spun, they're just hobby brands that can be worn anytime and anywhere. It will be the same for different tribes, skin colour, height. If you skate, do BMX, or like indie music and want to play in the rainy season, no one is skateboarding wearing a jacket. So, we thought only a hobby brand can enter the international market. Because everything is the same. The behaviour is the same.” (Participant 21/Business/Male).

There are some actions that can be taken by a community-based fashion brand as its strategy, such as the creating, maintaining, and supporting the community; assigning community members as consultants; widening the scope of the community; reaching the market outside the community; preserving uniqueness; collaboration with competitors in the same market; and targeting the global market. Moreover, benefits are gained by implementing community-based fashion brands, such as co-branding, partnership, and sponsorship.

From the explanation in this section, it can be seen that the discussion regarding community-based fashion brands often mentioned distros. Community-based fashion brands cannot be discussed without mentioning the function of distros. Therefore, the next section discusses the relationship between distros and community-based fashion brands as well as the mechanism of the distros.

6.3 Distros as the Sales Channel of Community-Based Fashion Brands

This section presents how distros became the sales channel of community-based fashion brands and their operational mechanism. The emergence of distros helped many fashion entrepreneurs running their business on the micro or small scale, providing the medium to market their products. Distros solve the unavailability of a way to market the
community-based fashion brands’ products. Therefore, it can be considered that *distros* span the institutional void. Many community-based fashion brands were formed in small-scale and even micro-scale enterprises. Since they had limited financial capital, they produced their products in a limited number, and they could not afford to open their own stores. Furthermore, a store opening was considered uneconomical as only a few products were produced.

*Distro* is short for distribution store. Initially, *Distros* exclusively sold imported products that were related to specific communities, such as rock music and skateboarding. Uttu (2007) described the *distro* as an implementation of collective creativity. At that time, *distros* were collectively owned by some members of communities.

Fashion products sold in *distros* were originally made by the members of the community. As a distribution store for the community, the *distro* not only sold fashion products, it also became a channel for community members to market and disseminate their talents. *Distros* are believed to have been created by the do-it-yourself spirit of the underground music community (Uttu, 2007). *Distros* provided products related to the lifestyle of the community. Therefore, posters, t-shirts, cassettes/CDs, and jackets can be found in a *distro*. The linkage of *distros* with the music scene was also shown by the underground music production facility. *Distros* helped independent (indie) bands in the communities to publish their creations. Since they made the products themselves in small runs and sold in *distros*, originality and exclusivity became their selling points. The emergence of the *distro* was a contrast to the launching of many malls in most big cities in Indonesia. The *distro* represented simplicity and kinship. Its building was not as magnificent as the outlets in a mall and its staffing was distributed among the members of the community. Irawati (2011) added that *distros* helped small clothing companies promote and sell their products. Figure 6.2 below shows some *distros* and clothing stores in the area of Tronojoyo Street and Sultan Agung Street, Bandung.
There was a strong relationship between *distros* and the music communities, especially independent musicians. Independent musicians are musicians who do not produce or distribute their music through a major label’ instead, they independently produced their music creations and distributed them through communities’ small stores. When these musicians distributed their CDs, they also distributed music-related merchandise such as t-shirts through these small stores, which were called *distros* (Soemardi & Radjawali, 2004). The relationship between *distros* and music communities was also mentioned by Participant 28, a government official. She emphasized the role of local independent musicians who produced their music creations and merchandise that aided the development of *distros*.

“Distros are also growing here... Well, the interesting thing is the music sector actually grows in Jakarta. We (Bandung) only contributes to its human resources. But there were some indie musicians who grew in this city and produced their creations by themselves. Initially from there, they wanted to have a specificity and then finally Distros grew.” (Participant 28/Government/Female).
In the 2000s, many youth communities were inspired by some communities who had produced their fashion products earlier. These members of communities also wanted to express their character with their fashion and thus made the products by themselves. They were also interested in reaching more customers outside their communities. Hence, some *distros* were opened to accommodate new fashion brands. How communities stimulated the growth of *distros* was described by Participant 3 below.

“Also, many Distros emerged in Trunojoyo Street and surrounding areas. This was in line with the emergence of many communities as well…. They did not only fulfil their own needs.” (Participant 3/Academic/Female).

The initial steps of opening a *distro* were mentioned by Participant 33, a representative of a community who once opened a *distro* as his business. He emphasized the importance of people’s trust in supplying goods to the *distro*.

“I tried to make a proposal, how was my store, what kind of promotions I would do, payments and others also were put in there. And in that year, there was no distro who did that. Thank God, by giving the proposal, it made clear (about) our shop.” (Participant 33/Community/Male).

According to Participant 33, a *distro* used a consignment system for the brands sold at its store. A *distro*’s owner or manager should convince the brands to supply their products. Even when he first opened his *distro*, he explained the store’s situation, promotion, and payment on a proposal that he sent to some prospective brands. He claimed that he was the first *Distro* who did this. The next step of managing a *distro* was explained by Participant 33 below.

“We chose, we saw, we curated who could represent the music for example, who could represent casual, we also saw it from their social media. Were their social media active? Because we could not run by our self. We also needed to be promoted by them. That’s what we pursued. Social media is very powerful for promotion nowadays.” (Participant 33/Community/Male).

After running his business a few years later, Participant 33 invited and curated the brands for his *distro*. The *distro* set a sales target every three months for each brand and a brand would be replaced if it did not reach a minimum sales target. He was able to use this
method as there was a waiting list of brands to be displayed. Some of the brand’s factors were curated by distros, such as genre and social media. Participant 33 also added that 23 brands were sold at his distro. The proportion of the consignment was set to 30 per cent of the selling price, which included the tax.

It is known that the strength of a distro is its uniqueness. Three distro managers mentioned that the people who came to their distros searched for products they could not find at normal shops, shopping malls, and department stores. They had a specific need that was different from that of common people (Iskandar, 2006). The specific products sold at distros were also considered a result of the curation process explained previously.

The explanation of how distros were created and their mechanism show that distros have an important function, namely providing a channel for community-based fashion brands to reach the market. The next section will discuss the role of entities in the creation of community-based fashion brands utilising the quadruple helix approach.

6.4 Entities in Community-Based Fashion Brand Creation

According to the earlier explanation, all entities of the quadruple helix have representatives who discuss communities and their roles as the basis of the brand. The community-based fashion brand concept was actually developed by fashion entrepreneurs. A community might be the driver for the entrepreneur to create a fashion brand, or the community might be the biggest reason for the entrepreneur to target the products made, but the party who developed the brand and made the community-based fashion brand become a concept that was imitated by many other actors was the fashion entrepreneurs. Although these actors came from communities or were considered as members of communities, they acted as entrepreneurs when they formed and structured the fashion brands.

The role of the communities in creating community-based fashion brands was considered to be that of catalysers. They motivated fashion entrepreneurs or encouraged their members to become fashion entrepreneurs to fulfil the communities’ needs. They played a very supportive role in this respect. Clothing businesses association, such as KICK,
played a role as an intermediary in encouraging the emergence of community-based fashion brands too. This can be seen from the increasing number of KICK’s members. The success of KICKfest attracted the emergence of new fashion brands. On the other hand, academics and government were only mentioned a little in the discussion of community-based fashion brand creation. They did not make a significant contribution to this matter. This was emphasized by Participant 9:

“No involvement. Well if there is involvement now, through KICK. We have the association named KICK, yes through it. So, if we talk about the history, actually almost no other involvement. There’s no aid or amenity. Maybe also I did not know since I was still a ‘young boy’. I was afraid to face the government. So, I did it all alone.” (Participant 9/Business/Male).

There was a role of academics, which was mentioned by Participant 29, the government official. She only explained the cooperation between the community and academics in research, stating the following:

“There was cooperation between the community and campus in mapping the contribution of the fashion industry to the city income. Cooperation with a campus in trend study was conducted to gain more statistical data and a concrete reflection of the economic activities in the field.” (Participant 29/Government/Female).

Therefore, discussion regarding the roles of quadruple helix entities in community-based fashion brand creation is presented in Table 6.1 below. The table presents the statements regarding these roles made by participants in the interviews and other parties in some of the supporting documents. This table classifies the statements in the column, ‘Discussion’, based on the role of each quadruple helix entity, while the ‘Participant’ row shows the quadruple helix entities who made the statements regarding these roles. This table shows the role of business people as institutional entrepreneurs in creating
community-based fashion brands. The business people here are members of communities who became fashion entrepreneurs. This table also indicates the community as the inspiration for the fashion brands’ creation.

Table 6.1 shows the important role of business people and communities in initiating the way to create community-based fashion brands. However, there are differences in the roles between the business people and the communities in this institutional work. Business people are the party who executed the way to create the fashion brands. They started as members of communities and became fashion entrepreneurs as well as institutional entrepreneurs since they institutionalized the concept of a community-based fashion brand in the local context. Meanwhile, the role of communities is to provide inspiration and encouragement for fashion brand creation. This role can be seen from the statements that were made by all the quadruple helix entities. However, there is only one statement from a fashion entrepreneur regarding the government. He mentioned there was no government involvement in the creation of community-based fashion brands. There is also one statement from a government official about academics. She mentioned the role of academics in conducting a trend study with the community.
Table 6.1
Roles of Quadruple Helix Entities in the Creation of Community-Based Fashion Brands

<table>
<thead>
<tr>
<th>Participant</th>
<th>Discussion</th>
</tr>
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</table>
| Business People           | - Begin to make everything independently to represent the community (Participant 9)  
- Maintain and support community activities (Participant 5)  
- Assign community members as consultants (Participant 21)  
- Widen the scope of community (Participant 9)  
- Detail and specify the design (Participant 4 and 21)  
- A brand came out from its underground niche market and served a bigger and mainstream market. After that, this kind of business form spread over several big cities in Indonesia (Uttu, 2007).  
- Brand does not only sell clothes but also integrates many creative elements. It becomes an icon of the clothing business success (Uttu, 2007).  
- Brand strengthened the community basis by doing endorsement that focus to lifestyle (Idris, 2016) |
| Academics                 | - No involvement (Participant 9)                                                                                                                                |
| Government                | - Placed as products/designs reference (Participant 21).  
- As main target market (Participant 4, 5, 9, and 15).  
- As business partner (Participant 5).  
- As key survival factor (Participant 34). |
<p>| Community                 |                                                                                                                                                         |</p>
<table>
<thead>
<tr>
<th>Participant</th>
<th>Business People</th>
<th>Academics</th>
<th>Government</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academics</td>
<td>- Some start from mobile to physical shop (Participant 3).</td>
<td>-</td>
<td>-</td>
<td>- Modify reference products (Participant 3).</td>
</tr>
<tr>
<td></td>
<td>- Create community activities (Participant 3).</td>
<td></td>
<td>-</td>
<td>- Create products to fund their event (Participant 3).</td>
</tr>
<tr>
<td></td>
<td>- They just have initiative (Participant 1)</td>
<td></td>
<td>-</td>
<td>- As business embryo (Participant 2).</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>- Community felt that mass fashion products symbolise ordinariness (Irawati, 2011).</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>- Community thought fashion products from China that were popularly sold at that time did not characterise Bandung’s products (Irawati, 2011).</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>- Fashion brands were initiated by independent communities’ activists (Barlian et al., 2014; Soei et al., 2016).</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>- Community also plays a role as the brand image builder and defines the company identity (Barlian et al., 2014).</td>
</tr>
<tr>
<td>Government</td>
<td>Brands were developed after success within the community (Participant 28).</td>
<td>Trend study with community (Participant 29).</td>
<td>Produce for a limited circle first then the public (Participant 28).</td>
<td></td>
</tr>
<tr>
<td>Participant</td>
<td>Business People</td>
<td>Academics</td>
<td>Government</td>
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</table>
| Community   | - Turn a hobby into business (Participant 31).  
- Create uniqueness to serve the same community (Participant 31).  
- The emergence of clothing brands pushed the fashion consumption shift and is considered as one of the pioneers in Indonesia (Anindita, 2017).  
- In the 1990s, this fashion industry took off from the community’s grass roots on a give and take principle. Business people do not only sell the products but also give something real to the community (Lestari, 2017).  
- The successful brands’ building that originated from the communities inspired some other communities to imitate a similar strategy (Participant 35) | | | - Organize events together (Participant 33).  
- Share information among themselves (Participant 33). |
Table 6.1 indicates the significant effort of fashion entrepreneurs in spanning the institutional void related to fashion brand creation by micro and small enterprises in Bandung, which then spread throughout the country. No scheme like this had been run by local fashion entrepreneurs before. According to Table 6.1, the role of business people as institutional entrepreneurs is reflected in their dominant activities in creating community-based fashion brands. Although the community is also frequently mentioned, its role is only passive. Thus, business people are considered as the major initiators as well as the most active entity in community-based brand creation.

Since distros also hold an important function as the sales channel for community-based fashion brands, the discussion regarding distros is presented in a separate table. Table 6.2 below shows the statements regarding the roles of quadruple helix entities in arranging the mechanism of distros. The structure of this table is similar to that of Table 6.1 above. Table 6.2 shows that communities became the inspiration for distros. The relationship between a community and a distro was very strong, and this is emphasized by the representatives of business people, academics, and the government. Table 6.2 also presents the mechanism to set the relationship between a distro and fashion brands, as mentioned by one representative of the business people and the community. In general, distros were built as a contrast to the launching of shopping malls in big cities and represented simplicity and kinship. A distro set its staffing to be distributed among members of the community; a consignment system of around 30 per cent including taxes was used for the brands sold at its store; the store’s situation, promotion, and payment were explained to prospective brands; the curation process was conducted to examine e.g. a brand’s genre and its promotion through social media; there was a sales target every 3 months for each brand; and a brand would be replaced if it did not reach the minimum sales target. Distros were mentioned as a sales channel for small fashion brands. This
function is considered as an action spanning the institutional void since there was no medium to market the products of micro or small-scale clothing brands.
Roles of Quadruple Helix Entities in Arranging the Mechanism of *Distro*

**Discussion**

<table>
<thead>
<tr>
<th>Participant</th>
<th>Business People</th>
<th>Academics</th>
<th>Government</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business People</td>
<td>- Distros were collectively owned by some members of communities (Uttu, 2007).</td>
<td>-</td>
<td>-</td>
<td>- Members of communities marketed and disseminated their talent in creating fashion products through Distros (Uttu, 2007).</td>
</tr>
<tr>
<td></td>
<td>- Distro was a contrast to the shopping malls (Uttu, 2007).</td>
<td>-</td>
<td>-</td>
<td>- Distros are built by the do-it-yourself spirit of the underground music community (Uttu, 2007).</td>
</tr>
<tr>
<td></td>
<td>- Distro represented simplicity and kinship (Uttu, 2007).</td>
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<td></td>
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<tr>
<td></td>
<td>- Its staffing was distributed among members of community (Uttu, 2007).</td>
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</tr>
<tr>
<td>Academics</td>
<td>- Distros helped small clothing companies to promote and sell their products (Irawati, 2011).</td>
<td>-</td>
<td>-</td>
<td>Indie musicians distributed their CDs and music-related merchandise such as t-shirts through Distros (Soemardi &amp; Radjawali, 2004)</td>
</tr>
<tr>
<td>Government</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Communities stimulated the growth of Distros (Participant 3)</td>
</tr>
<tr>
<td>Community</td>
<td>Participant 33: Distro set consignment system around 30% including taxes to the brands sold at its store</td>
<td>-</td>
<td>-</td>
<td>There was a relationship between Distro and music communities (Participant 28)</td>
</tr>
<tr>
<td>Community</td>
<td>Business People</td>
<td>Academics</td>
<td>Government</td>
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</table>
| - First, Distro’s owner or manager should convince the brands to supply their products.  
- The store’s situation, promotion, and payment were explained to prospective brands.  
- Brands were invited and curated.  
Distro set a sales target every 3 months for each brand and a brand would be replaced if does not reach minimum sales target. | | | | |
Members of communities who created the mechanism of *distros*, which were categorised as the business people entity in the quadruple helix concept, can be considered as institutional entrepreneurs. After describing how the community-based fashion brand created the parties involved as well as the emergence of *distros*, the next section presents the summary of these topics.

### 6.5 Summary

Community-based fashion brands started as an impact of the 1997–1998 economic crisis. When the price of imported fashion products rose sharply, some members of communities took advantage of the market uncertainty by developing new businesses as well as developing fashion brands based on the communities. They played the role of both entrepreneurs and institutional entrepreneurs at the same time. This institutional entrepreneur role is recognised by the creation of many fashion brands that were initiated by the members of communities. Since there were no community-based fashion brands in Indonesia previously, the efforts of the members of communities who became fashion entrepreneurs in establishing community-based fashion brands in the local context for the first time can be categorised as a strategy of spanning an institutional void. Ways to create a local micro or small-scale fashion brand that targets the youth were unavailable at that time. The underdevelopment of the institutional environment was also caused by the economic crisis. Later, many new local fashion brands were established based on a particular community or to target a specific community.

Based on the prior explanation, the institutional entrepreneurs indicated in the creation of community-based fashion brands are the members of communities who became fashion entrepreneurs. These fashion entrepreneurs, who are categorised as the business people in the quadruple helix concept, created community-based fashion brands as a new business form in the local fashion industry. After being initiated in Bandung, this form later spread to several big cities in Indonesia.
Some members of the community also engaged in action to provide a medium to market the fashion products produced by micro and small-scale fashion enterprises. This was called the distro. These members of the community who created distros with their mechanism played the role of institutional entrepreneurs due to the unavailability of a way to market the products of the micro and small-scale fashion enterprises; this is also considered as an institutional void. Distros were founded for the first time in Bandung along with the growth of the local independent music movement, skateboarding scene, and youth communities. This concept grew extensively to accommodate the emergence of micro and small-scale fashion brands, most of which were community-based.

Moreover, Bandung is acknowledged as a pioneer city for community-based fashion brands, although community-based fashion brands have grown significantly in some other major Indonesian cities as well. Creating a community-based brand is also a strategy to enter the international market. Through orientation to the community, fashion brands can keep their business sustainability, even though they only produce products in limited numbers. They actually implement the targeting strategy so their products can be sold faster. Although the communities are not considered as institutional entrepreneurs, they play a supportive role in creating community-based fashion brands. Here, the term community is used to refer to a group of people who have the same interest, hobby, or particular characteristic. Thus, a given community is utilised as a reference for the brand creation and will become the group of customers or users of this brand. Therefore, the term community in this section is not the same as the community explained as being a part of the quadruple helix model. The community in the quadruple helix model should create links between the triple helix entities, namely academics, business people, and the government.

After the explanation of the three findings in this and the previous two chapters, an exploration is conducted into the conditions experienced by the fashion industry actors,
revealing a lack of creative economy policy, absence of sector-specific bank lending schemes, violation of Intellectual Property Rights (IPR), complicated bureaucracy, and unclear tax application for small enterprises.

It is demonstrated in this study that Bandung’s fashion industry originated from communities’ creativity, which wanted to show their own identities through fashion. Fashion products based on the spirit of independence became a trend over time, along with the process of fashion brand creation by micro and small-scale enterprises, acting as an inspiration for many youth communities to undergo a similar process. Hence, members of communities conducted institutional work by creating community-based fashion brands.

Some of these fashion brand creators also established an informal association, named KICK, that helped fashion industry entrepreneurs to deal with problematic institutional conditions. KICK’s arrangement could be considered as institutional work since it spanned an institutional void while also indirectly handling some of the conditions of the underdeveloped institutional environment.

Further, to make a greater impact on a city level, a forum named BCCF, which consisted of 50 communities, initiated a creative economy development. It is argued in this study that this initiative spanned an institutional void related to creative economy development in Bandung. The process of creative economy development was an institutional work carried out by a community to directly solve a particular feature of the underdeveloped institutional environment in Bandung, namely the unavailability of a creative economy policy. Following the explanation of the three findings, the discussion of these findings in conjunction with the relevant literature will be presented in the next section.
CHAPTER 7. DISCUSSION

This chapter discusses the findings presented in the previous chapter, highlighting whether they support, challenge, or develop the existing theory and the previous empirical findings in the relevant literature. The discussion refers to the general institutional entrepreneurship-related literature as well as the specific literature in an emerging markets context. Each finding will be addressed in turn, with the intention of responding to the substantive issues identified in the literature review. Some of the relevant literature simultaneously links to the three findings of this study, while some only relate to one finding. Therefore, the relationship between the literature and two or three findings is discussed first, before discussing the literature which is only related to one finding. There are three sections, presenting the discussion of each finding.

Before discussing the three findings, this chapter begins with a discussion of the institutional environment that generally underlies the three institutional work practices found in this study. The findings show that the current creative industries-related policies in Bandung, a city with rapid creative industries development, are still general. Bandung’s creative economy policy is underdeveloped because the stakeholders’ understanding of the creative economy is still developing. Since the local creative fashion industry emerged immediately after the 1997–1998 economic crisis, the first local government policy was declared just 10 years later, in 2008, when the Regional Mid-Term Development Plan (RPJMD) of Bandung City for 2008–2013 included the Bandung Creative City policy. Although it was only a small part of the city plan, the policy became a milestone of creative economy development in Bandung. The lack of related policy resulted in the unavailability of the comprehensive creative economy development programme. This example confirms the few conducive regulations in the early period of Indonesia’s creative economy development, which were mentioned by the British Council (2014c)
Ministry of Tourism and Creative Economy (2014) and Setiowati et al. (2015). Another factor that constrained the creative industries was the absence of sector-specific bank lending schemes experienced by local small-scale fashion businesses. This affirms the limited access to finance of Indonesia’s creative industries (Ministry of Tourism and Creative Economy, 2014; Utami & Lantu, 2014). These two conditions, i.e. the unavailability of a comprehensive creative economy development programme and bank lending schemes, can be considered as being due to the less developed government and regulatory infrastructures (Marquis & Raynard, 2015). Another example of the underdevelopment of the institutional environment is the violation of Intellectual Property Rights (IPR), such as design piracy. This violation may have happened because of the exploitation of the ambiguity of intellectual property rights, as mentioned by Marquis and Raynard (2015) and weak property rights protection and its enforcement (Liu, 2011; Jolly et al., 2016). In addition, the protection of intellectual property rights may not be as reliable as in developed economies.

Complicated bureaucracy and confusing taxes for small clothing companies are other examples of the underdeveloped institutional environment found in this study, which can be associated with the non-transparent political and regulatory environment noted by Marquis and Raynard (2015) as one of the institutional characteristics of emerging markets. Eijdenberg et al. (2019) mentioned that unclear rules and complicated bureaucracy, also mentioned by Kshetri (2014), including tax payments are the core politically driven institutional constraints in emerging markets. Complicated bureaucracy was referred to by Utami and Lantu (2014) as inefficient government bureaucracy. These conditions confirm the high degree of institutional uncertainty and weak institutional arrangements that characterise emerging markets (Tracey & Philips, 2011). Another indicator of the underdevelopment of the institutional environment in Indonesia is the lack of law enforcement for corruption, as mentioned by Spranz et al. (2012), Wahid and
Sein (2013), and Maryunani and Mirzanti (2014). However, corruption was not mentioned by any of the participants of this study.

Institutional work practices found in this study are believed to have the support of the Indonesian social capital indicator, which ranked 10th on the 2018 Global Competitiveness Index (World Economic Forum, 2018) since this study indicates extensive examples of social capital in the practices of institutional work in Bandung’s fashion industry. The relations among actors in institutional work practices in the process of creative economy development, the organisation of KICK, and the creation of community-based fashion brands reached beyond the shared sense of identity, reflecting the bridges category of social capital, as defined by Keeley (2007). The cohesion among actors shown when some voids were spanned is solid evidence of social capital utilisation, as also proven by Carney et al. (2008). Moreover, social capital is not the only capital to facilitate institutional entrepreneurship. Referring to Bourdieu (1986), this study presents the four forms of capital mobilised by the institutional entrepreneurs in the fashion industry in Bandung. The capitals employed in each institutional work are described in the forthcoming discussion sessions. This study complements Yavuz et al. (2014), who noted that social and cultural capital, as individual-level resources, are instrumental for powerless actors in emerging markets. The social capital found in this study also confirms Vial’s (2011) view about social capital as the significant factor to obtain access to most resources and to gain access to customers and the public in developing countries. In emerging markets, social capital can be found as a resource leveraged to support small entrepreneurs in a situation where institutions in the early stages of development usually do not support small entrepreneurs.

Communities were discovered to be the important entities in institutional entrepreneurship in the fashion industry in Bandung. The analysis of the community in this study also responds to Battilana et al. (2009), who suggested that attention be paid to
the community level of analysis, particularly local communities, in institutional entrepreneurship study. Since the community is frequently mentioned in creative industries research, this study distinguishes the role of the community by utilising the quadruple helix system as the driver of the creative economy development model in Indonesia (Ministry of Tourism and Creative Economy, 2014). In this study, the community can be found in the process of creative economy development, was mentioned as a part of KICK’s name, and was found in the creation of community-based fashion brands. In explaining the role of BCCF in the process of creative economy development, this study confirms the importance of community within the creative economy, as mentioned by Pahlevi (2018). The significant role of the creative community as the driver and initiator of creative activities can be beneficial to support city branding, and this is what was shown by BCCF. This finding supports Fahmi’s (2014a) study, which found that the creative economy discourse in Bandung was introduced by academics and creative entrepreneurs who are the members of BCCF. The role of communities proves that local institutions and contexts affect the success of policy creation (Jennings et al., 2013; Fahmi, 2014a). The characteristics of BCCF are in accordance with what was conveyed by Liljemark (2004), who stated that the fourth element of quadruple helix system is an independent, not-for-profit, member-based organisation which can combine funding from the government and the private sector and create links between the triple helix entities. Hence, this study also confirms Füzi’s (2013) finding that communities, as the fourth helix of the quadruple helix model, play an active role in knowledge creation as well. According to the characteristics of the community mentioned before, the community found in the other two institutional work practices, namely the arrangement of KICK and the creation of community-based fashion brands, cannot be confirmed as the fourth element of quadruple helix system.
This study also follows on from Mair and Marti (2009), Yavuz et al. (2014), and Jolly et al. (2016), who revealed the significant contribution of less powerful actors. There are two institutional entrepreneurs in this study that can be categorised as less powerful actors with limited resources, namely BCCF in the process of creative economy development and the members of communities who created community-based fashion brands. The spirit of collaboration shown within and among communities in this study underpins institutional entrepreneurship in emerging markets, as explained by Yavuz et al. (2014).

This study complements recent studies on the institutional-related topic in emerging markets (Eijdenberg et al., 2019; Onsongo, 2019; Webb et al., 2019) since they all analyse the institutional voids that impact entrepreneurial activities in emerging markets, although they were conducted in different sectors. However, only this study and Onsongo (2019) discuss further the activities of actors to create institutions by utilising a strategy of spanning institutional voids, while the other two studies analysed the relationship between institutional theory and entrepreneurship without focusing on institutional entrepreneurship.

By focusing on earlier studies regarding institutional entrepreneurship in emerging markets conducted since 2001, this study enriches previous studies’ discussion of the creation of institutions to handle institutional voids (Li et al., 2006; Carney et al., 2009; Mair & Marti, 2009; Liu, 2011; Tracey & Phillips, 2011; Almeida et al., 2014; Rao-Nicholson et al., 2017; Onsongo, 2019) by adding another example from an influential country in Asia, Indonesia, and a case from a totally different field, namely the fashion industry. By focusing on the main sector of the study, this study complements the study by Liu (2011) in representing institutional entrepreneurship in creative industries in emerging markets. However, Liu’s study analysed the software and application sector, while this study focuses on the fashion sector.
This study also complements and expands institutional entrepreneurship studies in Indonesia. While previous studies in Indonesia in the past eight years only focused on urban development (Dieleman, 2011; Carney et al., 2016), marine sector (Rosen & Olsson, 2013; von Heland et al., 2014), governmental aspect (Wahid & Sein, 2013; Wahid, 2017), economic development (Spranz et al., 2012), and tourism (Dahles & Prabawa, 2013), this study brings a different perspective and enriches the discussion of institutional entrepreneurship in the context of Indonesia by examining the fashion industry as its field of study.

As mentioned at the beginning of this chapter, the relation between the literature and each finding is presented in different sections. The following three sections present the discussion of each finding. Section 7.1 presents how the process of creative economy development in Bandung relates to the literature, while section 7.2 explains the relationship between the arrangement of the informal association of clothing businesses and the literature. This chapter is concluded with the relationship between the literature and community-based fashion brand creation in section 7.3.

7.1 Process of Creative Economy Development in Bandung

This section explains the relationship between the process of creative economy development in Bandung and the relevant literature. The process of creative economy development in Bandung, presented in section 4.1, indicates institutional entrepreneurship. It shows how BCCF leveraged resources to shape a new institutional arrangement, which is a set of activities mentioned by Maguire et al. (2004) that can be defined as institutional entrepreneurship. In particular, resources mobilised in these activities were in the form of four types of capital, as coined by Bourdieu (1986): economic, cultural, social, and symbolic. Economic capital leveraged by BCCF was the monetary funding received from the BCCF members, sponsors, and partners. The cultural capital involved in this work was the members’ working experience in the creative
economy sectors, the experience gained from a creative economy study tour to the UK, and the international creative economy network experience. This work’s social capital came through the unity of 50 creative organisations in Bandung, the engagement between organisations and professionals in the creative economy sector, the government and the public, and partnership with international agencies, i.e. the British Council, United Nations Environment Programme (UNEP), World Islamic Economic Forum (WIEF), and Music Television (MTV). Social capital in creative communities is also mentioned by Fahmi (2014a), who emphasizes the importance of social capital in generating collective actions within institutional work. Lastly, examples of symbolic capital in this work included the participation of BCCF co-founders in British Council’s Young Creative Entrepreneur Design Awards, the fact that Bandung was already famous as a creative city, and BCCF members’ reputation as promotors of Bandung’s East Asia creative industries pilot project. Each of these forms of capital has a particular function, as mentioned by Yavuz et al. (2014); these are explained in Chapter 2. The cultural capital was utilised to identify the importance of creative economy development in the region and to execute the necessary actions to institutionalise creative economy development. Furthermore, BCCF mobilised its social capital to gain legitimacy for its work as well as to acquire more monetary funding. As for its symbolic capital, BCCF utilised it to legitimise the work it conducted and gather social capital.

This institutional work conducted by BCCF in promoting creative economy development in Bandung can be considered as a form of advocacy (Lawrence & Suddaby, 2006). BCCF could mobilise political support from various communities in Bandung and gained regulatory support from the central and local governments. In its advocacy, BCCF lobbied for resources from many parties to conduct its events, promoted its agenda in focusing on Bandung as a creative city, and proposed the creation of new legislation on creative economy development by the Bandung City Government. As a marginal actor, BCCF
initiated creative economy development in a bottom-up approach. BCCF’s initiative finally acquired the legitimacy from the local government after some events were supported by the Bandung City Government.

The institutional entrepreneurship process carried out by BCCF can be classified as a ‘create’ type. This type is one of the three types defined by Hardy and Maguire (2008). The way to develop the creative economy was not previously available in the context of Indonesia; therefore, BCCF initiated it in Bandung. Although there was an influence from the UK through the British Council, the UK creative economy programme just inspired and was not imitated by BCCF. Creative economy development was promoted by BCCF in a bottom-up way, while it was developed in a top-down approach in the UK (Flew, 2011). In creating the creative economy development process, BCCF also inserted local elements. Moreover, the uncertainty in the field provided a stimulus to BCCF when it initiated the process of creative economy development. BCCF tried to reduce the uncertainty of the sector, which had not been touched upon by the government.

BCCF’s institutional work can also be assessed as effective open advocacy since it fulfils the two necessary conditions as stated by Li et al. (2006). The first one is that the government should be tolerant in response to criticism of existing laws, policies, or regulations. This aspect was proven by the local government’s appreciation of the BCCF’s creative city proposal. The second one is that the change proposed by the institutional entrepreneurs should be beneficial to most of the public, not just the individual entrepreneurs. BCCF proved that its effort to promote the creative economy provided significant benefits to creative economy development in Bandung.

Although several activities were connected to the British Council, the process of creative economy development in Bandung could not be categorized as bridging institutional distance. The institutional strategy applied by the BCCF is categorised as a spanning institutional voids strategy (Tracey & Phillips, 2011). While the British Council’s role
had an influence on several activities, the basic idea of developing the creative economy originated from Bandung’s local communities. The MOU between the UK and Indonesian governments on cooperation in the field of creative industries in 2012 (Indonesian & UK Governments, 2012) and the British Council advisor’s acknowledgement of BCCF as the cornerstone of Bandung’s creative landscape in 2014 (British Council, 2014d) indicate that BCCF played significant roles some years before. BCCF spanned the institutional void related to the creative economy development in Bandung by accommodating 50 independent creative organisations in Bandung to translate the creative economy within communities and propose the creative economy development programme to all stakeholders, including the Bandung City Government, when there was no comprehensive creative economy development programme to be implemented. The void explained can be classified as a policy void, a term used by Onsongo (2019) to refer to a lack of relevant laws or guidelines related to a regulator. According to Webb et al. (2019), this void is a formal institutional void since the government’s political, economic, and legal/regulatory institutions failed to provide the basic systems of governance, property rights protection, infrastructures, and/or rule of law.

The evidence of Bandung’s creative economy development supports the study of Pratt (2009), who found the failing of generic policies, such as cross-national or cross-industry policies. Dedicated policymaking is needed due to the different and unique conditions in every country and industry. Although the British Council assisted the creative economy development in Indonesia by providing technical assistance to the creative entrepreneurs, together with some academics (Fahmi, 2014a), the creative economy strategies were first developed by the communities. This finding also supports the claims made by Kong et al. (2006), Aritenang (2013), Fahmi (2014a) and Cohen (2015) that creative industries policy cannot be fully transferred from developed to developing countries.
The bottom-up action of the institutional work to develop the creative economy supports Pratt’s (2009) study, which found that cultural and creative industries policies in many local and regional areas are a result of bottom-up initiatives. Hence, simply copying one area’s policy to another is not useful and will not achieve the expected outcomes. This bottom-up work also supports Scott’s (2001:142) statement about the bottom-up process in institution creation. He mentions that the bottom-up process starts from actors who conduct the negotiation and invention through the organisations. In the context of Bandung, this initial part happened when some BCCF founders generated ideas to solve some urban problems in creative ways and persuaded 50 communities to join the movement through BCCF. In the second step, it appears that organisations conducted the invention and negotiation in the field. BCCF, as a new organisation with 50 creative communities as its members, structured a creative proposal and offered it to the government as well as the society in this second part. Finally, there was another invention and negotiation between the governance structures and societal institutions in the third step. This step emerged when some events and activities initiated by BCCF were executed in cooperation with the government and supported by society. In this step, BCCF’s proposal was also gradually accepted by the local government and started to be applied in some policies. The role of BCCF in gathering communities to promote a creative economy programme in Bandung, explored by this study, also aligns with Battilana et al. (2009), who suggest paying more attention to multiple actors in an institutional project.

The community’s bottom-up approach in Bandung’s initial creative economy development step was subsequently utilised by Bekraf (Indonesian Agency for Creative Economy) later in their 2015–2019 strategic plan (Indonesian Agency for Creative Economy, 2017b). However, the bottom-up strategy defined by Bekraf was only for receiving the activity proposals from the local government and communities. In addition, this institutional work is also considered as an infrastructure-building strategy according
to Marquis and Raynard (2015) since the creative economy development process was conducted collectively by communities, the members of BCCF. They built the institutional infrastructure by defining their own strategies to address the unavailability of a comprehensive creative economy programme.

BCCF’s activities in developing the creative economy present the paradox of embedded agency mentioned by Garud et al. (2007) and Hardy and Maguire (2017). The dominant actor in developing local creative economy should be the Bandung City Government since they have the power to regulate the creative economy and to transfer the national creative economy policy into the local policy. Actually, they were supposed to be the party most concerned with local economic development. However, the role of the local government in developing the creative economy in Bandung in the early period was taken over by BCCF. BCCF was motivated to play a significant role but lacked the power to intervene in the policy. This situation shows that BCCF destroyed an institutional barrier, since the government was the party most responsible for creating economic policy, in establishing the creative economy development programme in Bandung. Action to destroy institutional barriers is mentioned by Li et al. (2006) as a feature of institutional entrepreneurs. How BCCF mobilised political support from various communities in Bandung and gained regulatory support from the central and local governments indicates the political and governmental skills possessed by the institutional entrepreneurs, as pointed out by Li et al. In addition, BCCF can also be categorised as an institutional entrepreneur since the profile of BCCF’s work is institutional entrepreneurship, according to Dorado (2005), after analysing the combination of agency or logic of action, the process of resource mobilisation, and the institutional opportunity of the organisational field. There are three forms of agency in the temporarily embedded process of social engagement: a strategic form that indicates the future orientation; a routine form for past orientation; and sensemaking when the present orientation is dominant. The form of
agency that was adopted by BCCF in developing the creative economy was the strategic form since the future was the dominant temporal orientation held by BCCF. In resource mobilisation, BCCF was able to promote creative economy development through leverage, as mentioned earlier. BCCF acted as a catalytic agent that helped unaware, unsure, or sceptical actors, especially the city government, to explore the possibilities of cooperation. The effectiveness of BCCF’s actions depended on three factors: its credibility, which was seen when BCCF invited related local parties and reached international parties in its movement; BCCF’s initiative and creative economy knowledge, which shows its familiarity with the problem addressed; and BCCF’s position in generating ideas to develop the creative economy based on locality rather than by adopting developed countries’ programmes, which indicates its balanced or unbiased position. Moreover, the organisational field indicates a transparent institutional opportunity since there were several creative economy’s institutional referents and this field is substantially institutionalised in developed countries. Therefore, BCCF had opportunities to define the new institutional arrangement of the creative economy in the local context and could gain support from related parties, such as the British Council and Ministry of Tourism and Creative Economy.

BCCF, as a forum for creative communities, was the initiator of the creative economy development process in Bandung. This is in line with Li et al. (2006), who emphasized that innovation produced by institutional entrepreneurs should be external, not just within a firm or organisation. One of BCCF’s co-founders realised that they should act immediately when the momentum to develop the creative economy was present and they could not wait for government action. It can be said that BCCF was aware of the field conditions. BCCF also became the party who opened the way and made a comprehensive process. Besides, BCCF did not expect too much from the government at first. This characteristic is an attribute of actors, as mentioned by Hardy and Maguire (2008). In this
institutional work, BCCF held a social position, which was socially constructed and legitimated by its identity in the field. BCCF is just a forum that was organically formed by creative community representatives. On the other hand, BCCF can also be regarded as a central actor since its efforts to promote creative economy development was more recognised than those of the local government and any other parties in the context of Bandung.

BCCF is acknowledged as Bandung’s creative economy initiator and its efforts motivated creative economy development in other cities. BCCF succeeded in collaborating with creative communities and working together in a movement to develop Bandung as a creative city. BCCF’s effort was supported by the existing situation mentioned by Soemardi and Radjawali (2004), in which Bandung was acknowledged as a city of ‘creative culture’, while other major cities such as Jakarta were best known for commercial culture, with Yogyakarta as the centre of traditional culture and Bali as a religious-based culture. BCCF’s role, as found in this study, reflects the three characteristics of institutional entrepreneurs in spanning the institutional void mentioned by Maguire et al. (2004), namely, positions that have broad legitimacy and facilitate stakeholder connections; the ability to translate an agenda for action across disparate stakeholders and to create stable coalitions; and an understanding of the cultural norms and practical routines of a wide array of stakeholders. This study also complements Fahmi’s (2014a) finding that BCCF was the initiator of creative economy development in Bandung since this study comprehensively explains the significant role of BCCF. BCCF held activities to display creative products and encouraged the improvement of the city infrastructure to enhance the creative city image. This study further explains the process of reshaping local institutions towards the idea of creative economy policies mentioned in Fahmi’s study, including a clear description of the policies created by the central and local governments.
The nature of the process of creative economy development coordinated by BCCF is cultural-cognitive, as this initiative was accepted and voluntarily followed by its members and the society in Bandung. There was no sanction, either legally or morally, for any party that did not follow nor rewards for the followers of this initiative. This action shows being taken for granted as the basis of compliance of the cultural-cognitive pillar, according to Scott (2001:51-58). People participated in the BCCF’s creative economy programmes because they followed their conception of what reasonable others would do in the situation. The situation at that time, around 2008, required greater attention and more concrete action to develop the creative economy in the local context. It was known that the creative economy had become a global trend after being popularised in developed countries a decade before. These people wanted what had been done in developed countries to also happen in their area. They also wanted to show a spirit of rebellion against the government in the creation of a liveable city and to arouse the government response to the rising phenomenon, namely the creative economy. Hence, what these people did can be categorised as a mimetic action, which is defined as the mechanism of a cultural-cognitive institution. Furthermore, BCCF’s idea to make Bandung a leading player in urban creativity were generally accepted by the local communities. This is an example of orthodoxy as the logic of a cultural-cognitive institution. The stakeholders and the societies were interested in supporting and joining the process because they believed that this could advance the local creative economy. The recognition of the effort of BCCF from the city government, the British Council, and a foreign creative economy actor also prove the level of acceptance of this process. Therefore, the process promoted by BCCF is indicated as a common belief and a shared logic of action in developing the local creative economy. The way it was recognised, understood, and supported by many parties made this process a legitimate one to develop the creative economy in Bandung.
BCCF made efforts to make sense of the situation, and the members of BCCF presented themselves as the competent actors within this situation.

Some similarities were found between the process of creative economy development in this study and the poverty reduction programme in Bangladesh studied by Mair and Marti (2009). First, the presence of academics, Chamber of Commerce and Industry representatives, and government officials in the Creative Economy Committee of West Java Province has a similarity with the involvement of the local elites in village poverty reduction committees in Bangladesh. Second, the writing of the National Creative Economy Medium-Term Development Plan also involved business people as the target of the sector’s development since they already knew the creative economy’s field conditions. The involvement of the business people shares the same spirit as inclusive participatory platforms, which shows a representation of the poor on village committees in the poverty reduction programme in Bangladesh. Third, the Bandung City Government supported the publication of ‘Bandung’s Top Creative Products’ book publication, an information book on curated creative products made in Bandung. This programme shares the same objective as the explicit advocacy efforts by organizing theatre performances to cope with the restricted market access in Bangladesh. Fourth, the Mayor of Bandung’s Regulation No. 1090 of 2015 on Accelerating the Creation of New Entrepreneurs was an indirect creative industries regulation. This is similar to the efforts towards sensitizing the community towards health issues by using a religious approach in Bangladesh, although the Bandung City Government used an entrepreneurship approach to promote the creative industries. In general, the institutional entrepreneurs in these two studies were powerless actors in emerging markets.

The BCCF’s initiative in this study updates the findings of Fahmi et al. (2017), who wrote about how creative communities institutionalise the creative economy. However, this role of communities was not supported by a comprehensive description of the actions taken
by them and how they leveraged resources to institutionalise the creative economy. Therefore, institutional entrepreneurs were not discussed in their study. A bottom-up approach by communities to promote the creative economy was found by Fahmi et al.’s study and this study. Fahmi et al. indicated that the communities structured the creative economy discourse and directed the local government’s interpretation due to the government’s incomprehension and slowness in policymaking. This study complements their study by clearly explaining the actions taken in the process of creative economy development, since there were only a few actions discussed in their study, namely, communication with local government, conducting the KICKfest and Helarfest, formulating the Regional Mid-Term Development Plan that inserted the creative economy, and the government’s support for community activities. This study shows earlier government’s creative economy-related policy from 2007, while Fahmi et al. mentioned the Presidential Instruction regarding creative economy development launched in 2009 as the initial government step. This study presents a chronological process of creative economy development that was not explained in their study. However, their study was able to compare the creative economy development between Bandung, Yogyakarta, and Surakarta. Yogyakarta and Surakarta were found only to have relabelled their cultural economy policies as the creative economy policies and the creative economy was promoted in a top-down approach by the central government to these two cities through a pilot project. The BCCF initiative uncovered in this study also updated Aritenang (2013), who emphasized that the cultural movement in Bandung was raised by the collaboration of artists, local government, and international agencies, such as the British Council. Although his study still refers to the sector as the cultural and creative industries, he realises the important role of communities in developing the sector. Communities, as found by these two studies (Aritenang and Fahmi et al.), were more fully explained and found to be playing the role of institutional entrepreneur in this study. After discussing
the relationship between the process of creative economy development in Bandung and
the relevant literature, the relationship between the arrangement of the informal
association of clothing businesses and the relevant literature will be presented on the next
section.

7.2 Arranging the Informal Association of Clothing Businesses

This section explains the relationship between the arrangement of the informal
association of clothing businesses and the relevant literature. The activities done to
arrange KICK (Creative Independent Clothing Community) as an informal association of
clothing businesses represent institutional entrepreneurship. KICK founders and
permanent members leveraged their resources to create and make sense of the way they
organised the association. These kinds of activities are defined by Maguire et al. (2004)
as institutional entrepreneurship. The KICK founders and permanent members were able
to spend time and energy in organising KICK while running their companies. They
brought their own experiences to create and build KICK. They also opened their own
business cases to other members in their meetings and some social occasions to give
examples of how they arranged this association in a particular way. This is related to the
little support received by the creative industry actors to manage their commercial risk, as
mentioned by Dempster (2008). Specifically, the resources leveraged can be divided into
the four forms of capital coined by Bourdieu (1986). The economic capital utilised by
KICK’s permanent members in the institutional work related to KICK’s arrangement was
the monetary funding from members and event sponsors. The cultural capital involved in
this work was the business experience gained by KICK’s permanent members in the
clothing sector and the experience of interaction within community. The social capital of
this work came through the unity of Bandung’s clothing businesses. Lastly, examples of
symbolic capital in this work included the recognition of KICK as a pioneer clothing
businesses association in Indonesia, its reputation as the organiser of the biggest clothing
expo in South East Asia, and its reputation as the organiser of the first clothing festival in Indonesia held continuously every year.

The form of this institutional work, in Lawrence and Suddaby’s (2006) terms, is changing normative associations. KICK was formed as a common association and was run internally by informal practices. KICK’s permanent members created the unwritten conditions of the organisation by re-making the connections between sets of practices and the moral and cultural foundations for those practices. Previously there were business people’s associations, founded and run formally, whereas KICK was run informally. This work was associated with the creation of institutionalized rules and practices that were parallel to existing institutions of arranging the association. While Mair and Marti (2009) present the same type of work, which was conducted open access to finance the ultra-poor, this study captures changing normative association work to organise an association.

The strategy applied in this institutional work spanned institutional voids (Tracey & Phillips, 2011). KICK’s permanent members spanned the institutional void related to the arrangement of a clothing businesses association in the local context. At that time, the idea of organising an informal association of clothing businesses did not exist in the local context, while the lack of clarity of government regulations was still felt. This void can be classified as a policy void, a void characterised by a lack of relevant laws or guidelines (Onsongo, 2019), although the guideline here is to organise an informal association. KICK’s permanent members wanted to have a different way of arranging the association. In addition, this void is categorised as an informal institutional void due to a lack of informal institutions, as mentioned by Webb et al. (2019), i.e. values of informal association arrangement.

According to Li et al. (2006), KICK’s permanent members’ institutional work can be considered as a private persuasion approach. They created the way to organise the association without declaring it or distributing formal documents among themselves and
with the associate members; instead, they merely conducted small informal group meetings and one-to-one meetings. From another perspective, based on the types of process stated by Hardy and Maguire (2008), the work conducted by KICK’s permanent members can be considered as the ‘change’ type. There were many associations founded and run with a formal arrangement, but KICK’s permanent members tried a different way of organising its association by running it informally. Hence, KICK’s permanent members changed the practice used by many formal associations. In general, KICK’s arrangement was institutionalized implicitly. Furthermore, the stimulus in the field faced by KICK’s permanent members was uncertainty since KICK was founded to anticipate the potential problems that would be experienced by clothing businesses, such as IPR, funding, and a lack of managerial skill, although at the time when the institutional work started such problems were not experienced by clothing businesses. The establishment of KICK also supports Eijdenberg et al.’s (2019) study, which found that association is a way that entrepreneurs take to cope with institutional voids in developing countries.

Referring to Dorado (2005), this institutional change can be considered as institutional entrepreneurship, as can be seen from its combination of agency, resource mobilisation, and organisational field’s form. The form of agency that was adopted by KICK’s permanent members was the strategic form since the future was the dominant temporal orientation held by them. They wanted to make sure that the association could enable its members to grow and survive in the field of clothing business. Resource mobilisation in this arrangement of an informal association was through leveraging. First, KICK’s permanent members defined the goals of the association and devoted their contribution to the association. Second, they gained support from its associate members and communities. Finally, they received support from external parties, namely, Bandung City government, a private bank, sponsors, and a national-level event organiser. The organisational field was opportunity transparent since there were businesses association’s
arrangements that could be adopted. KICK’s permanent members could define their new arrangement, although in an informal way, and gained support in creating the way to organise KICK.

KICK’s permanent members in this study reflect the importance of developing business groups, as noted by Marquis and Raynard (2015), and also the informal and collective mechanisms that were heavily relied on. What was done by these members can be classified as an infrastructure-building strategy since they collectively built institutional infrastructure by organising the association in an informal way. This arrangement successfully facilitated commercial activities, such as a specific bank lending scheme and the organising of KICKfest. This specific bank lending scheme is relevant to Dempster’s (2008) study, which found a simple bank loan as an alternative source of financing for creative industry actors.

How KICK was organised also resulted in a good reputation that provided advantages for its members, such as the special loan scheme offered by a private bank. How the permanent members arranged KICK as a pioneer local clothing businesses association in Bandung indicates their role as institutional entrepreneur. They showed the special characteristics, qualities, abilities, and interests mentioned by Hardy and Maguire (2008) as the attributes associated with actors. Since the arrangement of this informal association was conducted internally, KICK’s permanent members had the subject position here. They independently utilised their own power, resources, and capital in creating their way of organising KICK.

Since no regulative rule was applied and KICK’s permanent members were able to organise the association and associate members in an informal way, this situation shows their political and governmental skills, as mentioned by Li et al. (2006) as skills that should be possessed by institutional entrepreneurs. The establishment of an informal way of organising a clothing businesses association was an activity to destroy institutional
barriers, conducted by KICK’s permanent members since most business associations were established and run in a formal form. The action of destroying institutional barriers is mentioned by Li et al. as a characteristic of institutional entrepreneurs.

The nature of the arrangement of KICK can be considered as normative. The normative system is revealed in the objective of KICK to unite clothing businesses and designate the appropriate way to reach the objective by setting the association as an informal and closeness-based organisation. Since the basis of compliance of the normative pillar is a social obligation (Scott, 2001:51-58), only social sanctions are applied to members who violate the association’s statutes and bylaws, while no legal sanctions are applied, for instance, if KICK’s notary registration is violated by another party. How KICK is informally organised and its chairman, who has been serving for nine years, is still retained by its members even though he wants to be replaced shows that binding expectation is KICK’s basis of order. The clothing businesses joined KICK because they shared the same expectations, without any regulative rule bond. The mechanism applied to govern the association is not coercive or mimetic. Members share their experiences, with some limitations, although there is no tight policy regarding the interactions within the association. This situation indicates appropriateness as the logic of the normative institution. The organisation of KICKfest as an annual trade exhibition 12 times until 2018 and in some major cities outside Bandung as well as the trust of the bank that gave a special loan programme to KICK members are examples of the recognition received by KICK. These can be considered as equivalent to the certification and accreditation as indicators of a normative institution. The members were interested in joining KICK as they knew they would have opportunities to develop their clothing brands. They could find insights from the senior members and enhance their brand image by joining KICK and its events. They also realised that if they did not follow the organisation’s conditions,
they would be subject to social sanctions. Therefore, this membership is morally
governed, and this presents the basis of legitimacy of the normative institution.

The clothing businesses voluntarily became KICK members and shared their business experiences among each other in KICK’s meetings. These actions support Scott’s (2001:39) claim that actors conform because they are obliged to do so in a normative conception. Controls are executed by others through the evaluation of expectations (Scott, 2001:137). Hence, the KICK committee showed their expectations by communicating their prescriptive and proscriptive signals based on their positions and situation. This was manifested when KICK members received the special loan scheme from a bank and some of them had to be persuaded by the chairman due to their non-performing loan. It is also mentioned that when expectations are more highly institutionalized, they are also more widely shared by all participants. This statement is supported by the KICK members, who felt the way of arranging the association, although it was conducted informally, and the spirit of closeness within the association was beneficial for them; later, they spread these benefits among themselves and to other parties outside the association as well. The result of the way KICK is organised can be seen from the increasing number of KICK associate members who join through the KICKfest events. After discussing the relationship between the arrangement of the informal association of clothing businesses and the relevant literature, the relationship between community-based fashion brand creation and the relevant literature will be presented in the next section.

7.3 Community-Based Fashion Brand Creation

This last section explains the relationship between community-based fashion brand creation and the relevant literature. Chapter 6 explained how the members of communities in Bandung established a new way to create a micro and small-scale fashion brands and community-based brands, which became the common way to create fashion brands in Bandung and later across the country. It also described distros as the sales channel for
this kind of brand, and the role of entities in the creation of community-based fashion brands. This section discusses those findings by connecting them to the relevant studies.

The unaffordability of imported fashion products due to the 1997–1998 economic crisis pushed some youth community members to become creative fashion entrepreneurs. They produced their own designed fashion products and sold them independently. These members from various communities simultaneously created fashion brands after the economic crisis. They were the first parties to develop a way of creating community-based fashion brands in the local context. They did everything by themselves, from designing, producing, promoting, and distributing to selling the products. These entrepreneurs demonstrated a new way to create a fashion business in Indonesia and inspired many people, especially youth communities, to create fashion businesses with the same form. Therefore, their activities are considered as institutional entrepreneurship since they leveraged resources to create a new institutional arrangement, as emphasized by Maguire et al. (2004). In particular, the resources leveraged by these business people are categorised as the four forms of capital as coined by Bourdieu (1986). The economic capital mobilised in this work was the monetary funding from each fashion entrepreneur. The cultural capital was some fashion entrepreneurs’ previous working experience in selling imported products and their experience as members of communities. These forms of cultural capital led members of communities to take the opportunity to create community-based fashion brands in the local context. Furthermore, the social capital of this work was the network within each community and the network of communities. By utilising this social capital, a member of a community gained legitimacy for a newly created brand from his or her own community. Since some members of other communities created community-based brands in the same period as well as, legitimacy was acquired from the greater scope of communities. Lastly, the symbolic capital of this work was the reputation of these entrepreneurs as trendsetters of youth fashion in Bandung. Since their
fashion style became the reference for young people in Bandung, members of communities could gain legitimacy for their institutional work in creating the fashion brands. By creating these brands, they indirectly introduced a new way to build micro and small-scale fashion companies. The unavailability of this form locally and a medium to sell their products can be referred to as the absence of an institution that facilitates economic activity, as per Tracey and Phillips (2011). Hence, the strategy taken by these business people who pioneered the community-based fashion brands, including the establishment of distros, can be categorised as spanning an institutional void. The void here was the unavailability of a way to create micro and small-scale fashion brands in the local context as well as the unavailability of a way to market community-based fashion brands’ products. This void is an absence of a formal market institution, a void classified by Onsongo (2019) as a market void and one that is faced in emerging economies, as mentioned by scholars (Jolly et al., 2016); this has often been attributed to the unrealised potential of entrepreneurial activities in developing countries (Olthaar et al., 2017). From another perspective, this void can be seen as an informal institutional void, an inability of norms, values, and beliefs and their localized representations to facilitate stable, efficient, and effective transactions (Webb et al., 2019). At that time, fashion brands were identical to big companies and foreign fashion brands were perceived higher than local brands.

How the community-based fashion brand was created by the members of communities reflects the changing normative associations discussed by Lawrence and Suddaby (2006). The members reconfigured their belief systems in creating fashion brands and producing community products. These members of communities established the fashion brands in the form of micro or small enterprises, while fashion brands are mostly found in the form of medium or big companies. They also started to create community-based fashion products by themselves, whereas they had just acted as the consumers of imported products in the past. Therefore, this new form of the micro and small fashion firm, based
on community, complemented the existing institutions associated with fashion brands. It is known that some aspects were adjusted to suit this new form, such as utilising *distros* to sell the products.

This institutional work conducted by the members of communities in establishing community-based fashion brands can be considered as ‘Making a Case for Exceptions’ (MACE) (Li et al., 2006). This strategy is characterised by institutional entrepreneurs who are not seeking to change the laws and regulations. In this work, members of communities created fashion brands without any intention other than to seize the opportunity to fulfil the communities’ fashion needs. They did not realise that this new way of creating fashion brands would become a trend and be later imitated by many parties.

With reference to the type of process mentioned by Hardy and Maguire (2008), the institutional work conducted by members of communities who established community-based fashion brands, including setting up the *distros*, is categorised as the ‘create’ type. The most important process in this work was seen when some members of communities established fashion brands at the same time. This process extensively promoted this new way of creating micro and small-scale fashion brands. Furthermore, the stimulus in the field faced by these members of communities was uncertainty. The members of communities created community-based fashion brands to face the uncertainty of the fashion industry, which was impacted by the economic crisis.

However, the way of creating small-scale fashion brands that were based on communities is considered as an institutional partaking if referring to Dorado (2005), since the combination of agency, resource mobilisation, and organisational field’s institutional opportunity defined the profile of the change. The form of agency that was adopted by the members of communities was the sensemaking form since the present was the dominant temporal orientation held by them. They merely tried to fulfil their communities’ current need at that time. Resource mobilisation in this manner of fashion
brand creation is accumulating as the members of communities created small-scale fashion brands in the same period of time, but without coordination, in a web of independent actions. The organisational field’s institutional opportunity was opportunity transparent since community-based fashion brands already existed in developed countries. This field was substantially institutionalized, and several institutional referents were available for the actors. Members of communities as the participants acted as a collective, not as single individuals or an organisation, who were responsible for the change in uncoordinated actions that accumulated and converged over time. This institutional change is what Battilana et al. (2009) referred to as uncoordinated collective actions that involve different actors.

The community-based brands’ success story inspired many new fashion companies to also create brands based on the community. The utilisation of this form by many parties shows “institutionalization as the process through which a social order or pattern becomes accepted as a social ‘fact’” (Avgerou, 2000:237). Community-based brand creation presents informal and collective mechanisms and can be categorised as an infrastructure-building strategy according to Marquis and Raynard (2015) since members of communities created a new micro and small-scale fashion business form as well as the distros that directly facilitated their commercial activities. However, this collective action was conducted by these entrepreneurs without coordination among them.

The members of communities who initiated the creation of community-based fashion brands were found to have been self-taught for a long time. Although some of them had not graduated from design school, they were eager to learn and kept searching for something new by learning by doing and trial and error. They were brave enough to open a network for their businesses. They were able to build good branding that fitted and accommodated their network or community. They were independent actors who built their businesses without any assistance from other parties, such as the government or
academics. Some of them also created a new medium to market the community-based brands’ products. These are the factors that support Hardy and Maguire’s (2008) statement that institutional entrepreneurs have properties associated with them, such as special characteristics, qualities, abilities, and interests. Members of communities who pioneered the creation of fashion brands had a social position. They did not have power, resources, or capital relations to make this way of fashion brand creation spread over other communities. They just used the same way of creating fashion brands and a medium to market these brands’ products without any coordination among them in the same period. This new form was accepted because it was also a symbol of resistance to the established, particularly foreign, fashion brands. This study supports Battilana et al.’s (2009) view that institutional entrepreneurs could be actors who did not initially intend to create or modify institutions since members of communities did not think about promoting the new way of creating micro small-scale fashion business, including marketing its products, when establishing community-based fashion brands.

By creating community-based fashion brands, members of communities broke the institutional barrier to entry for micro and small-scale fashion brands. At that time, fashion brands were dominated by medium and large-scale companies and even multinational companies. The action of destroying institutional barriers is mentioned by Li et al. (2006) as a characteristic of institutional entrepreneurs.

The nature of the creation of community-based fashion brands can be considered as cultural-cognitive as this form was accepted and voluntarily followed by many members of communities who started building their fashion brands. There were no rewards or sanctions for parties who did or did not follow this form. This voluntary action shows that being taken for granted was the basis of compliance, according to Scott (2001:51-58), of this new way of creating a fashion brand. It is explained that the creation of community-based fashion brands was institutionalized naturally without any promotion from its
pioneers; the followers just imitated what the pioneers had done. Hence, the mechanism was mimetic, which is defined as the mechanism of a cultural-cognitive institution. The later fashion entrepreneurs voluntarily imitated the earlier ones to create community-based brands, including opening *distros*, with some intentions, such as following the youth trend. They showed a conventional approach as they just copied what they saw as a trend. This logic is called orthodoxy, as mentioned in the Three Pillars of Institutions concept. The new way to create a small business in the fashion sector exemplified by the pioneers became a common way among youth communities. This action indicates prevalence as an indicator of a cultural-cognitive institution. The members of communities who pioneered this new way are regarded as superior, as more successful. After being adopted by many fashion entrepreneurs in Bandung and some major cities in Indonesia, this way of creating a fashion brand on a community basis was recognised by many stakeholders, including academics and the government. Hence, the form was considered conceptually correct and culturally supported, which form the basis for legitimacy for a cultural-cognitive institution.

At the time when the creation of community-based fashion brands was being adopted by members of other communities, there were shared understandings and conceptual beliefs in the situation. The pioneers made efforts to make sense of the situation and also represented the competent actors within this situation. When the situation became more highly institutionalized, the followers accepted and followed what had been done by the pioneers. This is described by Scott (2001:138) as a cognitive view since the situation is accepted as “the way a thing is done by persons like me in a situation like this”.

The creation of the community-based fashion brand concept was accepted and realised by the stakeholders of the creative fashion industry in Bandung. All the entities from the quadruple helix have representatives that recognised this concept. Initiated when the economic crisis happened by some fashion entrepreneurs from various communities, this
concept then spread and was imitated by many entrepreneurs and community members who became entrepreneurs. They brought in their communities as the spirit of each brand, as well as the primary target for the sale of the fashion products they produced. The creation of community-based fashion brands found in this study supports what was discovered by Irawati (2011), namely that communities in Bandung created products for specific target markets. The brands carried the spirit of freedom and independence along with the communities’ unique identity. Communities and their members’ loyalty were emphasized as the key success factors of the clothing industry in Bandung. Communities also inspired the trends of the products (Soei et al., 2016).

The action of fashion entrepreneurs who created the community-based brands in making the communities their main consideration resonates with Power and Hauge’s (2008) view of a brand as an institution that sets value creation and firm strategies. Although the community-based fashion brands’ products were created in limited numbers, their brands functioned as a ‘standard’, not just as a name for the products. These brands could differentiate one party’s products from another’s and reflected the diverse values among community-based fashion brands. An example is the 347 brand in Bandung, which diversified its clothing into home interior products, restaurants, and architecture, illustrating Power and Hauge’s (2008) claim that a brand can become a vehicle for diversification as it grows in value and popular appeal.

Moreover, the concept of the community-based brand found in this study is entirely different from the concept of a brand community. A brand community is a group of consumers organised by a firm, as explained by Fournier and Lee (2009), while a community-based brand is a brand that is created using the community as its basis. A community in the concept of the brand community is formed by a firm, while a community in the concept of the community-based brand is naturally formed, even before the establishment of the brand.
This study found that some initial community-based brands emerged from music communities. However, this form is different from what has been found by Hauge and Hracs (2010). Their study, like this study, focused on independent actors in the music and fashion sectors. However, they merely analysed the collaboration between independent musicians and independent fashion designers, unlike this study, which analysed how the members of independent music communities created fashion brands.
CHAPTER 8. CONCLUSION

Data gathered from interviews and secondary documents analysed in the findings chapter were discussed with the relevant literature in the previous chapter. Therefore, the synthesis of this study’s findings and the results of the discussion are presented in this chapter as the answer to the research questions. The answers are presented in the three first sections according to the three defined research questions. The first section describes the underdeveloped institutional environment faced by the fashion industry actors in Bandung, Indonesia. The second section explains how the fashion industry actors deal with the underdeveloped institutional environment. There is also an explanation of how the institutional entrepreneurs spanned the three institutional voids found. These voids are related to creative economy development, related to the organising an association of clothing businesses in the local context, and related to micro and small-scale fashion brand creation in Bandung. To span these voids, three institutional work practices are conducted. They are promoting creative economy development, arranging the informal association of clothing businesses, and creating community-based fashion brands. It also describes the actors who became institutional entrepreneurs in the fashion industry in Bandung, Indonesia, including their characteristics. The third section indicates the nature of institutional work practices carried out by the institutional entrepreneurs, explaining what is institutionalized by these practices, including the type and characteristics of practices conducted. This third section also presents the institutional arrangements found; the first one is the creative economy development programme, the second one is the arrangement of an informal association of clothing businesses, and the last one is the way of creating community-based fashion brands in the local context.
After providing the answers to the three research questions, the explanatory framework of institutional entrepreneurship in the fashion industry in Bandung is presented. Then, the contributions of this study, theoretically and practically, are highlighted. This is followed by an explanation of the limitations of this study, and the chapter closes with a recommendation for future research. To start the conclusion, the next section explains the institutional environment of the fashion industry in Bandung.

8.1 The Institutional Environment Faced by Fashion Industry Actors

This section presents the answer to the first research question of this study, which is about the institutional environment faced by the fashion industry actors in Bandung, Indonesia. Previous studies revealed that emerging markets were characterised by weak institutional arrangements, a resource-constrained environment, a high degree of institutional uncertainty, and a lack of transparency in the political and regulatory environment. Such institutional conditions are faced in Indonesia as an emerging market economy. In particular, Indonesia’s fashion industry, as one of the creative economy sectors, experiences such conditions. The first condition experienced by the fashion industry actors is the unavailability of a specific creative economy policy made by the government, in particular, a policy to accommodate the rise of the creative economy that was triggered by the 1997–1998 economic crisis. The first national policy was launched when the Indonesian central government launched the Indonesian Creative Economy Development Plan in 2008, which was based on the creative industries mapping conducted in 2007. In Bandung, the first local policy regarding the creative economy was found in the Regional Mid-Term Development Plan (RPJMD) of Bandung City for 2008–2013. In this document, the Bandung City Government proposed the Bandung Creative City concept. Bandung’s creative economy policy is underdeveloped because the stakeholders’ understanding of the creative economy is
still developing. The lack of creative economy-related policy resulted in the unavailability of a comprehensive creative economy development programme. This situation was evidenced by the few conducive regulations in the early period of Indonesia’s creative economy development.

Another institutional weakness experienced by fashion entrepreneurs, the majority of whom were categorised as micro and small enterprises, was the absence of sector-specific bank lending schemes and the violation of Intellectual Property Rights (IPR). The unavailability of a comprehensive creative economy development programme and bank lending schemes reflected the underdeveloped government and regulatory infrastructures, while IPR violation may have happened because of the exploitation of the ambiguity of intellectual property rights and weak property rights protection and enforcement.

Other conditions faced by the fashion entrepreneurs was the confusing taxes for small clothing firms, which made them afraid of dealing with government officers, and a complicated bureaucracy, which had a bad influence on the industry, although it was experienced indirectly by the actors. Confusing taxes and complicated bureaucracy can be associated with a non-transparent political and regulatory environment. Complicated bureaucracy, including tax payment, is a core politically driven institutional constraint in emerging markets. Complicated bureaucracy is reflected in inefficient government bureaucracy.

To face the underdeveloped institutional environment, this study found that fashion industry actors carried out four types of action. First, they just tackled the conditions of the underdeveloped institutional environment without conducting any institutional work. Second, they directly addressed the underdeveloped institutional environment
by conducting institutional work that spanned an institutional void. Third, facing an underdeveloped institutional environment, they conducted an action that could be considered as institutional work since it spanned an institutional void, and also indirectly handled some conditions of the underdeveloped institutional environment at the same time. In the fourth type, the flow of action was similar to the third type, but without handling the underdeveloped institutional environment. The second, third, and fourth types of actions led to institutional entrepreneurship since these three actions were seen as utilising the opportunity by conducting institutional work. The process of creative economy development is associated with the second type of action. The arrangement of an informal association of clothing businesses, KICK, reflects the third type of action, while the creation of community-based fashion brands reflects the fourth type of action. In contrast, to tackle the complicated bureaucracy, confusing taxes, and IPR violations, fashion entrepreneurs carried out the first type of action. They minimized their interactions with the government and utilised intermediaries when they had to contact the government and manage their taxes. As another example, clothing businesses tackled the design piracy problem by creating many more new designs since it took too long and too much effort to take cases to the legal authorities.

In the next section, explanations are presented only for the actions which are categorised as institutional work.

8.2 Dealing with the Underdeveloped Institutional Environment

This section presents how the fashion industry actors have dealt with Indonesia’s underdeveloped institutional environment. As mentioned before in the last paragraph of section 8.1, several actions were taken by the actors. The first action was the process of creative economy development. This was an institutional work carried out by a community to directly solve a particular feature of the underdeveloped institutional
environment in Bandung, namely the unavailability of creative economy policy. Another action carried out which indirectly dealt with the conditions of the underdeveloped institutional environment was the arrangement of an informal association of clothing businesses. Lastly, community-based fashion brands were created by members of the communities in Bandung.

This study has also described the actors who were recognised as institutional entrepreneurs, including their characteristics. Since the actors in the fashion industry are not only involved in the production process of fashion products and as the Indonesian government declared the quadruple helix as the model to develop the creative economy, this study examined all the four entities of the quadruple helix model, namely, academics, business people, government, and community. This study discovered three types of institutional entrepreneurs in the fashion industry in Bandung. They are a community, permanent members of an association, and members of communities. Although only one community was considered as an institutional entrepreneur in one of the three institutional work practices, this study found a significant contribution of the community in the fashion industry in Indonesia. However, the usage of the term ‘community’ found in this study is not always consistent with the definition of the fourth element of the quadruple helix model. The Indonesian government often considers any group of individuals or organisation as a community, regardless of its sector. Some previous studies of the creative economy in Indonesia also called any kind of informal organisation a community.

The first institutional work was the process of creative economy development in Bandung. A lack of a creative economy policy was a condition of the underdeveloped institutional environment faced by the fashion industry actors in Bandung, Indonesia. This condition produced the unavailability of a comprehensive creative economy
development programme, which was considered as an institutional void related to creative economy development in Bandung. This void led to a community, BCCF (Bandung Creative City Forum), initiating a process of creative economy development in a bottom-up way. Various activities were performed by BCCF to span the institutional void faced by the creative industries’ actors. First, BCCF collaborated with as many communities as possible from various backgrounds. It gathered 50 communities across the city when it was founded. After that, BCCF conducted some meetings with and lobbied the government. It once proposed a creative city programme to the local government. BCCF members also sometimes met the central government through the related ministry. The next activity was to discuss the creative economy concept in academic events, talk shows, and informal discussions. It was found that the concept was discussed in an academic conference, in some talk shows held by other organisations, and in informal discussions regularly held by BCCF, to which they invited related parties. Another step taken by BCCF was promoting their activities and ideas through the mass media. Besides exposing BCCF’s activities, the media also publicized the individual achievements of some BCCF members. Next, BCCF created artefacts that could be easily recognised by the public. This activity was taken to provide the physical evidence of the creative economy concept that was being developed. To promote the creative economy to a wider audience, BCCF attached local elements to their events and activities. By doing this, creative economy development could more easily be accepted by the local society. BCCF realised that their position was only as a community that led the movement and that it could not expect much support from the local government. Hence, with its lack of power and resources, BCCF independently organised creative events across cities. BCCF also invited and empowered, but did not force, the society to its events and activities. BCCF
encouraged society to participate and be actively involved in these activities. To have a better impact, events were conducted that targeted solving the city’s problems. These enabled the society to first receive the benefits of the event, so they accepted and realised the importance of the creative economy concept without questioning. BCCF also joined national and international events and publicized these participations locally, which made many parties more aware of the movement. The last activity was establishing cooperation with the higher levels of government, namely, the provincial and central governments as well as international agencies. This was akin to asking for support and placing more pressure on the local government to be aware of this movement.

BCCF, a community that brought together 50 communities in Bandung, is considered as an institutional entrepreneur since it spanned an institutional void related to the creative economy development in Bandung and leveraged its resources in this institutional work. At that time, a comprehensive programme to develop creative economy was unavailable. The properties associated with BCCF are the ability to assess and initiate ideas independently. BCCF opened the way to promote the creative economy and organised activities and events that made many parties realise the importance of a creative approach in developing the city as well as the creative economy development itself. Since BCCF did not have enough power, resources, or capital to support its activities, it was considered to hold only a social position. This position was socially constructed and legitimated by its role in the field. As a powerless actor, BCCF was greatly helped by its social and cultural capital. BCCF can also be regarded as a central actor in the context of Bandung since its efforts to promote the creative economy development was greater than those of the local government and
other elements. The role of BCCF also proves the importance of communities within the creative economy sector.

Next, the second action of the fashion industry actors in dealing with the underdeveloped institutional environment was the arrangement of an informal association of clothing businesses, named KICK (Creative Independent Clothing Community). At the beginning of this section, it was mentioned that this institutional work was performed to tackle the conditions of an underdeveloped institutional environment in an indirect way. The way this association organised its activities helped clothing companies to handle the underdeveloped institutional environment, such as the absence of sector-specific bank lending schemes, the violation of Intellectual Property Rights (IPR), and brand registration problems. KICK created certainty and security for its members in a situation where the underdeveloped institutional environment was being experienced by the clothing companies in Bandung. This action is considered as an institutional work that spanned an institutional void related to the organising of an association of clothing businesses in the local context since business associations were commonly founded and arranged in a formal way.

As a city-level association, KICK’s founding was aimed at increasing communication and coordination among clothing businesses in order to advance their operations. Its informality is shown in the interaction and administration aspects, particularly in the arrangement of membership, the members’ openness principle, and the arrangement of the organisational structure.

Unlike formal associations that share internal rules, members’ rights and obligations to their members following the member’s registration, KICK does not give any
membership documents to its members. The way KICK has set itself up is unique. It is run based on an informal arrangement. Although it was only organised informally, KICK was able to establish its local and national reputation as it attracted a bank to give its members a special loan scheme and it has organised annual trade festival for consecutive 12 years since 2007. This event, KICKfest, has been claimed to be the biggest clothing expo in South East Asia and involves hundreds of fashion brands and attracted thousands of spectators. The informal arrangement of KICK was institutionalized by its permanent members through various activities. First, the arrangement was agreed upon by the KICK founders, who were automatically made permanent members. After that, the permanent members who were appointed as committee members started to apply the arrangement. By applying it first, they could review the arrangement before it was widely used by the other members. The permanent members then showed the arrangement to the associate members, both implicitly and explicitly. This was also discussed in members’ informal meetings, which were held regularly. This arrangement was then carried out within interactions among members and spread by word of mouth among them. Hence, many more members learned about and understood the arrangement. Lastly, this arrangement was promoted through events, including some out-of-city events, so that members from different cities were informed too. It can be seen that the whole process aimed to internalise the informal arrangement within the association.

The institutional entrepreneurs found in this second work are KICK’s permanent members. They are considered as institutional entrepreneurs as they spanned an institutional void related to organising an association of clothing businesses in the local context and leveraged resources in this institutional work. Whereas there were some associations of businesses organised in a formal way, including written rules and
procedures, KICK’s permanent members created the way to organise the association in an informal way. The attributes associated with these permanent members are being self-taught, eager to learn, having initiative, and being flexible. Although they had various educational backgrounds, some of them were very far from fashion or the business sector and they wanted to learn something new, not only for their own clothing companies but also for the association they had joined. They did not think to wait for support from the government. They also welcomed clothing businesses from other cities to join the association and participate in some of KICK’s events and activities.

Since the arrangement of the informal association was conducted internally, KICK’s permanent members were considered to have the subject position in this institutional work. They could use their power, resources, and capital in promoting the way to organise the association. The ability to organise KICK in an informal way demonstrated KICK’s permanent members’ political and governmental skills, skills that institutional entrepreneurs should possess. They destroyed the institutional barrier since most associations of businesses were run formally.

Another action to deal with the underdeveloped institutional environment found in this study is the creation of community-based fashion brands. Besides hindering entrepreneurial activities, the underdeveloped institutional environment also provided opportunities for fashion industry actors. When the uncertainty caused by the 1997–1998 economic crisis was experienced by many parties, members of communities created community-based fashion brands to serve the market, which was no longer filled with imported fashion products. This uncertainty opened an avenue and triggered members of communities to become fashion entrepreneurs by creating community-based brands in the form of micro and small enterprises. This action is
considered as an institutional work that spanned an institutional void related to the creation of micro and small-scale fashion brand in Bandung.

Initially, the community-based fashion brand concept was created when some members of communities, who used to be consumers of imported fashion products, shifted to become local fashion entrepreneurs. These local creative fashion brands tried to provide the clothes needed by their communities. Hence, they only produced their products in limited numbers in the early stages. To market these limited products, distros were established as a channel for these brands. These fashion entrepreneurs made their communities their reference so that the communities helped to build the brand identity and image. After becoming famous within communities, some brands attracted the attention of wider audiences, produced more products, and gained more public customers. Young people considered that these community-based brands accommodated their interest and idealism in relation to style. In addition, their prices were also more affordable. By wearing these brands’ products, they could be perceived as members of a particular community.

Some members of communities created a new business form of micro and small firms to respond to the uncertainty of specific fashion markets after the economic crisis. This institutional work was conducted by the particular activities of some members of communities. It started when members of communities in Bandung adopted the fashion style of related communities from foreign countries. Without any coordination among each other, they created fashion brands that were based on their communities at the same time. This collective action made this business form popular in the local context. Members of communities did not think about promoting the new way to create micro and small-scale fashion business when establishing the community-based fashion brands. Besides the spirit of their communities, they also brought the idea that
mass products symbolised ordinariness and many fashion products sold in Bandung did not characterise their communities. Since their fashion products were well received and became a youth trend, more products were produced to reach the public market. The establishment of distros as a channel to market the products also popularised this new business form. The uniqueness of their designs and stores also contributed to promoting this form. The market was reminded of the new business form by the establishment of the new concept of the sales channel. The brands became more famous outside their communities and the extensive usage of these products promoted the business form indirectly. Some brands produced products to support communities’ events. Therefore, these events promoted the business form as well. As a result, the successful brand-building initiated by communities inspired other communities and brands to imitate a similar form. Many more brands were later launched by imitating this business form.

Furthermore, in the creation of community-based fashion brands, including the establishment of distros, the actors that can be considered as institutional entrepreneurs are the members of communities. They became institutional entrepreneurs and fashion entrepreneurs at the same time. In this work, community refers to a group of people who have the same interest, hobby, or particular characteristic. These members of communities are considered as institutional entrepreneurs since they spanned an institutional void related to micro and small-scale fashion brand creation in Bandung and leveraged resources in this institutional work. At that time, it was rare to see fashion brands produced by micro and small companies, or fashion brands that target specific communities. Prompted by the economic situation that resulted from the economic crisis in 1997–1998, some members of communities created fashion brands to fulfil their own communities’ needs. This
initiative was then imitated by other communities around the city. Some members of communities are also considered as the institutional entrepreneurs since they spanned an institutional void related to the establishment of a sales channel for the micro and small-scale fashion brands. The distro, a store that specifically markets community-based fashion brands’ products, did not exist previously. The properties associated with the members of communities who pioneered the community-based brands are being self-taught, good at networking, and independent. Some of them realised that they did not have any related skills in design and business; hence, they learned how to make a good design and run their business by trial and error. Their learning and business operations were helped by their ability to create networks for their production, promotion, and distribution purposes. They started their businesses without any support from other parties and they initially focused only on their communities. Moreover, these members of communities had a social position. They acted the same way in the same period to create fashion brands without any coordinated action among them. This institutional work is also regarded as a symbol of resistance to the established, particularly the foreign, fashion brands. The community members can be recognised as institutional entrepreneurs since they also broke the institutional barrier to entry for micro and small-scale fashion brands.

This study presents how fashion entrepreneurs in an emerging market economy can also act as institutional entrepreneurs. When members of communities created the community-based fashion brands and this new form of business was later followed by many people, they became entrepreneurs and institutional entrepreneurs at the same time. They created a way for micro and small businesses to run fashion brands at a time when fashion brands were commonly managed by big or global enterprises. Next, fashion entrepreneurs acted as institutional entrepreneurs when they established KICK
and were recognised as KICK’s permanent members who created the informal arrangement for this association. There already existed formal businesses associations that they could have imitated, but they chose to make their own arrangement in an informal way. Fashion entrepreneurs also became institutional entrepreneurs when they joined BCCF. Their existence in BCCF represented the membership of KICK. Together with other creative communities in Bandung, they initiated the process of creative economy development when a comprehensive programme for the local creative economy development did not exist. It can be seen that fashion entrepreneurs tried to cope with the underdeveloped institutional environment by themselves, together with other fashion entrepreneurs in an association, and as representatives of an association together with other entities in the wider community. However, not all fashion entrepreneurs were simultaneously involved in these three practices.

According to the Indonesian Government policy, quadruple helix entities are defined as the main actors of the creative economy development model. They consist of academics, business people, government, and communities. From the three institutional work practices found in this study, there are only two entities that can be considered as institutional entrepreneurs: business people and the community. BCCF, as an institutional entrepreneur that promoted the creative economy development, is considered as a community entity. KICK’s permanent members, as the institutional entrepreneurs who arranged the informal association of clothing businesses, are considered as a business entity since they were actually fashion entrepreneurs when they established and organised KICK. Lastly, members of communities, as institutional entrepreneurs who created community-based fashion brands, are considered as a business entity too. It can be seen that two practices of institutional work were carried out by business people, and one institutional work was performed
by a community. Therefore, business people were more dominant in institutional entrepreneurship in the fashion industry in Bandung. However, communities made a significant contribution to institutional entrepreneurship in the fashion industry in Bandung, particularly in a work that had a wider impact on the creative economy as a whole: the process of creative economy development.

It is found that the central government was more aware and played a more significant role than the local government. After the creative economy appeared to emerge, the central government was the first actor to conduct a mapping study and prepare a development plan for the creative economy in Indonesia. However, this plan was not smoothly implemented at the lower governmental level. In Bandung, this central government plan was quickly welcomed by the communities’ initiative. Fortunately, this less dominant role of the local government gave the opportunity for the communities to develop the creative economy in a bottom-up way. On the other hand, it was found that some academics made their contribution by actively participating as the committee and members of BCCF. It is known that the first BCCF chairman was also an academic at that time. Some of them were also invited by the government to join the discussion on developing the creative economy policy. Therefore, academics are also regarded as having made a contribution to the process of creative economy development in Bandung. Academics were involved in this institutional work as part of their social work and on their own behalf, not as representatives of their universities.

After explaining how the actors dealt with the underdeveloped institutional environment faced by the fashion industry actors in Bandung, Indonesia, the next section shows the nature of institutional work.
8.3 Nature of Institutional Work

This section presents the nature of the institutional work carried out by the institutional entrepreneurs in Bandung’s fashion industry, including the type and characteristics of these institutional work practices. It is also explained what is institutionalized in these practices.

The process of creative economy development is the first institutional work found in this study. This process, initiated by BCCF, indicates institutional entrepreneurship, since BCCF leveraged resources, including economic, cultural, social, and symbolic capitals, to promote creative economy development in Bandung. Unavailability of a comprehensive creative economy development programme was considered as an institutional void related to creative economy development in Bandung. By promoting creative economy development, BCCF conducted an institutional void spanning strategy.

The type of institutional entrepreneurship is the ‘create’ type, as BCCF initiated creative economy development from scratch in the local context. The stimulus faced by BCCF was uncertainty since the field of the creative economy had not been touched by the local government. The nature of this institutional work was cultural-cognitive, as this initiative was accepted and voluntarily followed by individuals and societies in Bandung. People accepted and participated in BCCF programmes to follow their conception of what reasonable others would do in the situation. They wanted a creative economy developed in their area, as had been done in developed countries, and to show the spirit of rebellion against the government in the creation of a liveable city.

Furthermore, this institutional work can be categorised as advocacy work, as BCCF was able to mobilise political support from various communities in Bandung and
gained regulatory support from the central and local governments. BCCF lobbied for resources, promoting agendas and proposing new legislation, as it was finally acknowledged by the Bandung City Government. This work can also be assessed as effective open advocacy since the Bandung City Government appreciated BCCF’s creative city proposal, which was beneficial to most of the public, not just itself. What was done by BCCF proved the need for a dedicated creative economy policy due to the country’s distinctive characteristics and the fact that a policy could not simply be transferred from other countries. By carrying out this institutional work, BCCF is considered to be conducting an institutional infrastructure-building strategy. This institutional work also indicated the paradox of embedded agency. The local government was expected to become the dominant actor in developing the local creative economy through its policies. However, the role that should have been played by the government was taken over by BCCF. BCCF initiated the creative economy development in Bandung, although it did not have the power to intervene in the policy. BCCF was recognised as performing a significant role and destroyed an institutional barrier by substituting the local government’s role.

The profile of the work carried out by BCCF is institutional entrepreneurship, based on the analysis of the combination of agency or logic of action, the process of resource mobilisation, and the institutional opportunity of the organisational field. BCCF exercised strategic agency due to its future orientation. The resource mobilisation type was leveraging, and the institutional opportunity of the organisational field was transparent.

In promoting creative economy development in Bandung, BCCF institutionalized three major strategies, which were implemented through various actions. The first strategy was fostering a creative culture. To apply this strategy, actions were taken
through events, the media, and community organisation and education. The second strategy was nurturing creative businesses or entrepreneurs. Several actions to apply this strategy were carried out through business incubators, networking, economic policy, and a task force or creative economy council. The third strategy was producing responsive city planning or design. This third strategy was executed through actions such as creating creative clusters, building the public space, district regeneration and developing the city’s architecture. This creative urbanism programme made creativity visible through the city’s spatial arrangement. As a result, this initiative by BCCF was continued by the Bandung City Government and recognised on the national and international scales.

Another institutional work conducted in the fashion industry in Bandung is the arrangement of an informal association of clothing businesses. Since business associations were commonly organised in a formal way, the arrangement of KICK in an informal way is considered as an institutional void spanning strategy. It can be seen that KICK’s permanent members spanned an institutional void related to organising an association of clothing businesses in the local context. The arrangement of KICK is categorised as institutional entrepreneurship, as KICK’s founders and permanent members leveraged resources to create and make sense of the way they organised the association.

The type of institutional work is the ‘change’ type. KICK’s permanent members changed the approach that was commonly used by many formal business associations. Hence, this work can be categorised as a ‘changing normative association’ work. KICK’s permanent members made an arrangement which complemented the existing institutions applied by formal associations. The stimulus faced by KICK’s permanent members to conduct this work was uncertainty, as they decided on this way to organise
the informal association in anticipation of the potential problems that would be experienced by clothing businesses.

Furthermore, the nature of this institutional work is normative. Although the arrangement was set informally, social sanctions were applied for any violation of this arrangement. KICK’s basis of order is a binding expectation, while appropriateness is the logic of the KICK arrangement. The recognition gained by KICK is considered as the indicator of the arrangement of KICK, while morally governed membership presented the basis of legitimacy of this work. Since the binding expectation is the basis of the order of KICK, controls are executed by others through the evaluation of expectations. Such expectations are more widely shared when they are more highly institutionalized.

This institutional work can be considered as a private persuasion approach. KICK’s permanent members created the way to organise the association by conducting small group informal meetings and one-to-one meetings without declaring and distributing formal documents among the members. After analysing the combination of agency or logic of action, the process of resource mobilisation, and the institutional opportunity of the organisational field, the work carried out by KICK’s permanent members is identified as institutional entrepreneurship. The agency of KICK’s permanent members is strategic as it was aimed at enabling KICK members to grow and survive. The resource mobilisation type was leveraging since the capital was mobilised gradually and involved various parties. Lastly, the organisational field was opportunity transparent since there were formal business association arrangements that could have been followed. Since KICK’s permanent members collectively built the institutional infrastructure, this institutional work can be classified as an infrastructure-building strategy.
To organise KICK as an association of clothing businesses in Bandung, KICK’s permanent members institutionalized an informal association arrangement. Although there were formal documents as proof of the association’s establishment, such as the notary registration, statutes and bylaws, and name copyright, most of the arrangements are informal. The first one is the closeness-based member and committee recruitment system. KICK is open for all clothing businesses to join. However, the permanent members, who serve as a committee, limit the permanent membership. Moreover, KICK members who want to join the committee are chosen on a closeness basis. There is a division of membership status between permanent members and associate members. By this arrangement, all clothing businesses that participate in the KICKfest automatically become associate members. Because of its limited numbers of permanent members, KICK’s committee is set in a flat hierarchy. This setting facilities coordination among the committee and between the committee and members. Fluid interaction then happens between the committee and members without discrimination. The members’ openness principle was also spread to make the informal discussions among members smooth-running and useful. Hence, the common goals and benefits were imprinted in members’ minds. As a punishment mechanism, KICK applied social sanctions for its members. KICK also helped its members to cope with the underdeveloped institutional environment by conducting some activities, such as brand registration, managing trends, and preventing piracy. The reputation gained by KICK also helped its members to resolve the problem of the non-performance of the loans, given to them through a special scheme, and mediating loan offers.

The last institutional work found by this study is the creation of community-based fashion brands. It began when some youth community members became creative fashion entrepreneurs due to the unaffordability of imported fashion products caused
by the 1997–1998 economic crisis. They produced their own designed fashion products and sold them independently. They were the first parties to develop a way to create community-based fashion brands in the local context. In doing so, they demonstrated a new way to create a fashion business in Indonesia and inspired many people, especially youth communities, to create fashion businesses in the same form. Therefore, their activities are considered as institutional entrepreneurship since they also leveraged resources, including the four forms of capital, to create new institutions.

Since members of communities created the community-based fashion brands at a time when there were no fashion brands managed by micro and small enterprises, they can be considered to have carried out an institutional void spanning strategy, namely an institutional void related to the fashion brand creation in Bandung. These actors created a new form of establishing a fashion brand in the local context. The void they spanned can be categorised as a market void or an absence of a formal market institution. This void can also be classified as an informal institutional void since fashion brands were synonymous with big or foreign companies at that time.

This institutional work is the ‘create’ type since some members of communities created this new business form by themselves, rather than reproduce or change an existing one. Moreover, the stimulus they faced in the field was uncertainty, particularly the market condition after the economic crisis in 1997–1998 and the unavailability of specific government policy on the creative economy. This institutional work can be categorised as a changing normative association as members of communities introduced the concept that fashion brands could be established not only by big companies. This concept, introduced by the members of communities, complemented the existing concept of fashion brand creation by big companies.
Furthermore, the nature of community-based fashion brand creation is cultural-cognitive. The pioneers did not directly promote this form to be applied by others; however, this form was imitated by followers. Therefore, the mechanism is mimetic. These actions of voluntary imitation by followers indicate the logic of orthodoxy. When this new form of business became common among youth communities, it showed prevalence, which is an indicator of such work. Finally, this form was recognised in the broader scope of Bandung and Indonesia. This recognition exhibited the basis of legitimacy of this work since the form was considered conceptually correct and culturally supported.

This institutional work can be considered as ‘Making a Case for Exceptions’ (MACE) since the members of communities were not seeking to change the laws and regulations. From another perspective, this institutional work, after analysing the combination of agency, resource mobilisation, and the institutional opportunity of the organisational field, is categorised as an institutional partaking. The form of agency of this work was sensemaking due to the present orientation of the actors. The form of resource mobilisation was accumulating due to the uncoordinated action of the actors. Lastly, the organisational field was opportunity transparent since this form of fashion brand already existed in developed countries. This work can be categorised as an infrastructure-building strategy since members of communities created an institutional infrastructure that facilitated their commercial activities. In addition, this work also proved the important role of communities in the fashion industry in Bandung, although they are not considered as institutional entrepreneurs.

Several activities were carried out by the members of communities that led to the community-based fashion brand concept being recognised by the public and followed by members of other communities. The first one was designing products which
represented the characteristics of the particular communities. Since the communities became the reference for the creation of these brands, these brands functioned as a standard, not just a name, providing the advantage of being able to diversify the products. Moreover, these fashion products were produced in small runs and sold in distros. These small quantities gave advantages to the brands since the customers perceived this as a sign of the originality and exclusivity of the products. The next activity carried out was maintaining and supporting the communities. To bring the roots of the community to the brand, it was useful to assign community members as consultants for the brand. Fashion brands also widened the scope of communities and reached the market outside the communities. They tried to target other communities that had similar characteristics and intersections, for instance, indie music and the BMX rider community. Although they extended their target market, they still preserved their products’ uniqueness. Some of them even entered into a collaboration with competitors and targeted the global market. As a result, this new way of creating fashion brands in the local context was followed by many communities and brands, not only in Bandung but also across Indonesia. Nevertheless, this form is different from a brand community, since the community in the brand community concept is a group of customers formed by the firm. After explaining the nature of institutional work, the proposed framework of institutional entrepreneurship in the fashion industry in Bandung, Indonesia, is presented in the next section.

8.4 Explanatory Framework of Institutional Entrepreneurship in the Fashion Industry in Bandung, Indonesia

This explanatory framework is a visualisation of the conclusions of this study. The framework is chronologically structured to enable the institutional work carried out to be visualised more easily. The framework begins with the underdeveloped
institutional environment faced by the fashion actors in Bandung, Indonesia, followed by the times when the three institutional work practices were conducted. The times mentioned were ranges between 1998 and the early 2000s; 2006 and 2010; and 2008 and 2013. The time between 1998 and the early 2000s was the period when the community-based fashion brands were created in the beginning. This institutional work was started when the economic crisis ended in 1998 and finished in the early 2000s when community-based fashion brands were widely adopted in Bandung and some major cities in Indonesia. The time between 2006 and 2010 was the period when the arrangement of an informal association of clothing businesses was institutionalised. This institutional work began when KICK was established in 2006 and is estimated to have ended in 2010 when all the activities of this institutional work had been conducted. In 2010, as the result of KICK’s reputation, a bank created a special loan scheme for KICK members. At that time, KICK was already led by its second chairman, who was previously an associate member. Lastly, the time between 2008 and 2013 was the period when the creative economy development was promoted. This institutional work was started when BCCF was founded in 2008 and ended in 2013 when the first chairman of BCCF was elected as the Mayor of Bandung. Starting from 2013, the process of creative economy development is considered to have been transferred from BCCF to the Bandung city government.

The institutional entrepreneurs with their institutional work practices, and what was institutionalised in these practices, are presented in this framework as well. Based on the chronology, the structure of this framework begins with the community members’ institutional work in creating community-based fashion brands. It is followed by KICK’s permanent members’ institutional work in arranging their association. Then, the framework ends with BCCF’s institutional work in promoting the creative
economy development. The explanatory framework of institutional entrepreneurship in the fashion industry in Bandung, Indonesia is presented in Figure 8.1 below.
<table>
<thead>
<tr>
<th>Institutional Environment</th>
<th>Year</th>
<th>Institutional Entrepreneur</th>
<th>Institutional Work</th>
<th>What is institutionalised</th>
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<tbody>
<tr>
<td></td>
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<td></td>
<td>1. Adopt the fashion style of related communities from foreign countries</td>
<td>2. Fashion products were produced in small runs and sold in distros, hence the originality and exclusivity became their selling points.</td>
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<td>2. Create some brands in the same time</td>
<td>3. Maintaining and supporting the community.</td>
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<td>3. Produce more products to reach public market</td>
<td>4. Assigning community members as consultants.</td>
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<td>4. Distro as the medium to market the brand</td>
<td>5. Widening the scope of community.</td>
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<td>5. Promote the spirit behind the brand</td>
<td>6. Reaching the market outside the community.</td>
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<td>6. Products become the youth trend</td>
<td>7. Preserving uniqueness.</td>
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<td>7. Promote through events</td>
<td>8. Collaboration with competitors in the same market.</td>
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<td>1. Agreed by founders</td>
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<td>2. Committee members apply first</td>
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<td>3. Show the arrangement to the members implicitly and explicitly</td>
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<td>4. Discuss through some members’ regular informal meeting</td>
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<td>5. Carry out within interaction among members</td>
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<td>6. KICKfest as a mean to gather existing and new members</td>
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<td>7. Spread by word of mouth among members</td>
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<td></td>
<td>8. Promote through events (especially for different cities members)</td>
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<td></td>
<td>2008 - 2013</td>
<td>BCCF (Bandung Creative City Forum)</td>
<td>Promoting the creative economy development:</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>1. Collaborate as many communities as can from various backgrounds</td>
<td>1. Fostering creative culture: events, media, community organisation and education.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Discuss the concept in academic events, talk shows, and informal discussions</td>
<td>3. Producing responsive city planning/design: creative clusters, public space, district regeneration, architecture</td>
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<td></td>
<td></td>
<td></td>
<td>4. Media exposure</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>5. Create the icon/creation that can be easily recognised by the public</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>6. Attach local elements to the events and activities</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>7. Conduct creative events across cities independently</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>8. Invite and empower, not force, the society to the events and activities</td>
<td></td>
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<td></td>
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<td></td>
<td>9. Events conducted should solve the city’s problems</td>
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<td></td>
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<td></td>
<td>10. Make the society receive the benefits of the programme first, so they accept</td>
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<td></td>
<td></td>
<td></td>
<td>and realise it without questioning</td>
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<td></td>
<td></td>
<td></td>
<td>11. Join the national or international events and publish these participations locally</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>12. Cooperate with the higher-level government and international agencies</td>
<td></td>
</tr>
</tbody>
</table>

Figure 8.1 The Explanatory Framework of Institutional Entrepreneurship in Fashion Industry in Bandung, Indonesia
8.5 Contributions of the Study

After presenting the proposed framework, this section shows the contribution of this study. This study offers several contributions to knowledge in the areas of institutional entrepreneurship and the fashion industry in emerging markets. This study also provides implications for practice in the Indonesian context. The discussion starts with the theoretical contribution below.

8.5.1 Theoretical contribution

Although creative industries as an emerging field still experience a low level of institutionalization and the dynamics in emerging markets face an underdeveloped institutional environment, entrepreneurial action to handle this situation is under-researched. This study is one of the first institutional entrepreneurship studies in emerging markets to focus on creative industries, particularly in the fashion industry. This study also advances the study of institutional entrepreneurship and institutional work in the context of emerging markets. It offers a nuanced, contextualized understanding of how fashion industry actors in Bandung, Indonesia, coped with the underdeveloped institutional environment. They were conducting practices that spanned institutional voids and resulted in new arrangements. Although not all the conditions of the institutional environment were addressed, this study presents a more advanced response from fashion industry actors. They were not just tackling the institutional environment but were conducting institutional work practices. They spanned institutional voids by creating arrangements. Therefore, the actors who became institutional entrepreneurs and other actors who just supported the practices can be seen in this study. Since it is also found that institutional entrepreneurs in this study are considered as less powerful actors, this study also fills the lack of
institutional entrepreneurship research that analyses the less powerful actors and their resource mobilisation process. This study proves the paradox of embedded agency within institutional theory, when members of communities, an informal association of clothing businesses, and a community as the marginal actors give their contributions to create and champion new practices, although they often lack the power to transform the institutions. At the same time, the dominant actors often lack motivation although they have the power to execute the change.

It is found that there have been only limited studies on institutional entrepreneurship in the context of Indonesia within the past eight years. These limited studies only discussed a few sectors, such as urban development, marine sector, government, economic development, and tourism. Hence, this study enriches the literature on institutional entrepreneurship in Indonesia by discussing the creative economy and the fashion industry. This study can be considered as the first institutional entrepreneurship study in the context of creative industries in Indonesia. This study also provides a significant contribution to the development of institutional entrepreneurship in the South East Asia region, particularly in the creative industries sector, since studies on this topic in this region are still relatively few.

By providing an explanatory framework of institutional entrepreneurship in the fashion industry in an emerging market economy, this study advances the fashion industry management discourse from the institutional perspective. This framework provides the complete stages of institutional entrepreneurship in the field of the fashion industry. To face an underdeveloped institutional environment in an emerging market economy, there is a framework that shows the actors who played roles as institutional entrepreneurs, the institutional work practices, the set of actions conducted, and the aspects institutionalised by these work practices. These
institutional work practices also proved that arrangements related to the creative economy, including the fashion sector, cannot just be transferred from developed countries. Creative economy policy in emerging markets has its own way to be set up under consideration of the local specific contexts. By describing these institutional work practices, this study makes a significant contribution to the discussion of creative economy development in Indonesia, particularly in the fashion industry. Although creative economy policy institutionalization has been discussed, the actors who became institutional entrepreneurs were not revealed in earlier studies.

Discussions about the community also took place in previous studies; however, the understanding of the community was still diverse and the parties who were considered as communities were still unclear. Therefore, this study distinguishes the role of the community in the creative economy sector and in the fashion industry. Referring to the quadruple helix model, from the three practices of institutional work found in this study, it seems that the actors who played a dominant role as institutional entrepreneurs were business people instead of community entities. This study only found one community, BCCF, as an institutional entrepreneur in the process of creative economy development, while in the other two institutional work practices, the institutional entrepreneurs were business entities. Although the arrangement of an informal association of clothing businesses was conducted within KICK, an association that was often locally recognised as a community, the actors who played a role as the institutional entrepreneur in this work were KICK’s permanent members and they were actually business entities, while in the creation of community-based fashion brands, the institutional entrepreneurs were obviously the members of communities who became fashion entrepreneurs. These last two practices prove that fashion entrepreneurs can also become institutional entrepreneurs. It is found that the
two actors who became institutional entrepreneurs in the process of creative economy development and the creation of community-based fashion brands were not parties with abundant resources or occupying a central position. Therefore, this study advances the discourse of the powerless actor as an institutional entrepreneur.

Besides identifying the institutional entrepreneurs in this sector, this study also explains the complete process of creative economy development in chronological order. This study describes a comprehensive journey of the creative economy development in Bandung, starting in the period after the 1997–1998 economic crisis ended, until 2017 when the local government formulated some policies related to the creative economy. This study presents the progress of creative economy development in Bandung since it was promoted by BCCF, gained support from external parties rather than the local government, and finally was accommodated and continued by the local government. This study also describes the milestones of the fashion industry in Bandung, from the time when community-based fashion brands were created as an effect of the 1997–1998 economic crisis until KICK, as an association of clothing businesses, successfully organised its 12th annual event, which was recognised as the biggest clothing expo in South East Asia. After explaining the theoretical contribution in this section, the practical contribution is presented in the next section.

8.5.2 Practical contribution

This study gives a comprehensive explanation of how the creative economy was developed in Bandung, a city that is considered as the pioneer of the creative city in Indonesia. The explanation is given by showing the roles of all quadruple helix entities, especially the community helix. As many previous studies mentioned the community as the most important helix in developing the creative economy in
Bandung, this study complements previous studies’ findings by describing the complete role of communities. This study also chronologically presents the progress of creative economy policies, set by the central and local governments, over a period of 10 years from 2007 to 2017. Therefore, this study can be used as the source of reference for future study on creative economy development, particularly from the institutional perspective, in Bandung and Indonesia.

Although the institutional work practices in this study show encouraging results for the progress of the fashion industry, they could not be imitated and directly applied in other areas, even if these possess similar characteristics with Bandung. The pattern shown by this study, namely that institutional entrepreneurship in the fashion industry began from communities, is expected to inspire fashion actors in other areas in developing the fashion industry. The initiative of communities in creating their creative products by using their own brands can be considered as the first step to developing the fashion industry. This step could inspire governments in other areas to encourage communities, through their members, in producing their own fashion brands. The establishment of a business association with informal arrangements can be used as a model to inspire fashion entrepreneurs to combine and establish conducive interaction among members. Furthermore, there is a new national-level organisation named the Indonesia Creative Cities Network (ICCN), which actively encourages the growth of creative cities in Indonesia. This study can help ICCN in considering its programme to develop creative cities across the country.

This study helps government officials, academics, business consultants, fashion entrepreneurs, and non-government organisations to better understand the whole map of institutional entrepreneurship in the fashion industry in Bandung. They can recognise the underdeveloped institutional environment faced by the fashion actors,
the actions carried out to cope with the underdeveloped institutional environment in emerging markets, the actors who became the institutional entrepreneurs and the actors who just supported the actions, and what was institutionalised by the institutional work conducted. The next section shows the limitations of the study since the contribution was explained in this section.

8.6 Limitations of the Study

Since all studies are subject to limitations, acknowledging these limitations is an important aspect of the reflexivity of the researcher. The limitations of this study are described in the following.

The case study strategy selected by the researcher contains intrinsic limitations, including limited generalisability, reliability, and researcher bias. Although the companies chosen as cases represent deluxe and mass production, the two categories in the volume-based classification of Indonesia’s fashion development, the data are generated from the economic crisis period of 1997-1998 and they reflect two types of production strategy, namely make-to-stock and make-to-order, thus the selection of these four companies brings context-specific findings. The fashion companies captured were companies whose production is dominated by clothing, while other types of fashion products were less produced. Since fashion is not only clothes, other companies that produce other fashion products, such as shoes, watches, and accessories, may have a different perspective in facing the lack of institutional conditions.

Furthermore, the location of this study is in Bandung, a part of Indonesia, and this represents emerging markets. Since the location of this study was in a particular city and sector, it is inevitable that this study has limitations. Therefore, the results cannot
be generalised since each city and each sector has its own characteristics. Although they cannot be generalised, the case insights can provide some form of framework. The framework proposed by this study can inspire creative economy development, more specifically in the fashion industry in other areas. Although it cannot be adopted as a whole, some parts of this framework are expected to inspire others. People in an area who are struggling to start their creative economy development can learn to create a movement from this study. They can also empower communities in their area by studying this thesis.

The selection of participants, which utilised the quadruple helix system as a reference to identify the target participants, is considered as another limitation of this study. The representatives of academics, business people, government, and communities were interviewed in this study. Currently, there is an extension of this system in Indonesia, called the Penta-helix model, which includes the media as the fifth element. The media entity may provide a different view by explaining the business entity’s promotion and brand image aspects. However, the media as the fifth element of the Penta-helix is only widely used in Indonesia, while the role of the fifth element is attributed to social entrepreneurs in other countries. The Penta-helix model in Indonesia is used to visualise the latest creative economy ecosystem. After the contribution of the study is presented in this section, the recommendation for future research is explained in the next section.

8.7 Recommendations for Future Research

In order to address the limitations of the present study and to build on its contributions, the following presents some suggestions for future research to enlarge the scope of this study. This study focused on four fashion companies, whose production is
dominated by clothes. However, the progress of the fashion industry in the context of Indonesia nowadays is also filled by local brands engaged in other types of fashion. Currently, local brands for shoes, watches, accessories, cosmetics, or even specific target market clothes, such as clothes for babies, children, and Muslims, are easy to find and have recorded significant growth as well. Conducting research involving these types of fashion could bring a more representative result that better reflects the fashion industry. It is also known that Muslim fashion in Indonesia is currently experiencing very high growth. This can be understood since Indonesia has the largest Muslim population in the world, with 12.7 per cent of the world’s Muslims or 229 million people, constituting 87.2 per cent of Indonesia’s total population. With this huge potential market, it would also be beneficial to conduct research in the particular sector of Muslim fashion, due to its specific characteristics. The target set by the Ministry of Trade to make Indonesia the world’s Muslim fashion capital by 2020 is another strong reason to conduct such a study. A question that possibly arises is about who the actor in the institutional work related to the arrangement of the Muslim fashion industry will be: whether the government, as the party that has set the national target, or the fashion entrepreneurs.

Since this study was carried out in Bandung due to its recognition as a pioneer of the creative city in Indonesia, similar research can be extended to other cities in Indonesia or other emerging markets. If there is a need to compare institutional entrepreneurship in the same sector, the fashion industry, future research could be focused on Jakarta or Denpasar to capture the context of Indonesia. In the region of South East Asia, research on institutional entrepreneurship in the fashion industry in Singapore or Bangkok would provide more insight into the issues raised by this study. There is also the opportunity to study other creative industries’ sectors that have become leading
sectors in other cities. For instance, as it is known that Jakarta is famous for its music industry, comparing institutional strategies in the fashion industry in Bandung with the music industry in Jakarta would deepen the understanding of the constraints, enablers, and responses of each sector’s actors. Differences and similarities can also be indicated by such research.

The features of an underdeveloped institutional environment faced by creative industries actors in Indonesia are considered relatively similar, for instance, a lack of creative economy policy, intellectual property rights violation, and a shortage of funding support. For this reason, actions taken to respond to these conditions may be different. Therefore, research to investigate the actions carried out by a variety of creative industries actors to cope with the underdeveloped institutional environment in Indonesia can provide fruitful results for the institutional entrepreneurship discourse. The opportunity to conduct future research could be based on creative industries’ sector and/or research location.

As mentioned in the limitations section, there is an extension of the quadruple helix model called the Penta-helix model. This new model adds the media as its fifth element. Therefore, future research could deepen the insights provided in this study by using the Penta-helix model. Interviewing participants who represent the media entity would advance scholarship in the aspect of promotion and brand image since the role of the media entity in the Penta-helix model is publicizing the business entity’s products.

This study strengthens the view that creative industries policy cannot be fully transferred from developed countries to emerging markets. Creative economy policy in emerging markets has its own way of being set up under consideration of the local
specific contexts. Therefore, creative industries actors in emerging markets, in this case in Bandung, created their new arrangements in spanning institutional voids. From the three institutional work practices found, none can be considered as a regulative practice. This is realised as the reflection of kinship and informality of the creative industries in Bandung. Moreover, the most important actor spanning the voids is the community, although the business people take over the role when the arrangements are more business-like. The government, as the actor who creates regulation, is expected to stand by at a specific level since creative industries are developed in a bottom-up approach. Lastly, the role of academics, as the university representatives, has not been seen clearly, although some academics were actively involved in communities. Therefore, the participation of the university in the form of organisation is also encouraged.
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Appendices

Appendix A. Indonesia’s Competitiveness Index 2018
<table>
<thead>
<tr>
<th>Index Component</th>
<th>Value</th>
<th>Score *</th>
<th>Rank/140</th>
<th>Best Performer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pillar 1: Institutions</strong> 0-100 (ave), 0-100 (high)</td>
<td>-</td>
<td>57.0</td>
<td>48</td>
<td>New Zealand</td>
</tr>
<tr>
<td>1.01 Organized crime 1-7 (ave)</td>
<td>4.3</td>
<td>54.9</td>
<td>98</td>
<td>Finland</td>
</tr>
<tr>
<td>1.02 Harm to minors 0-100 pop.</td>
<td>0.5</td>
<td>100.0</td>
<td>9</td>
<td>Multiple (9)</td>
</tr>
<tr>
<td>1.03 Terrorist incidence 0 (very high) - 100 (no incidence)</td>
<td>96.8</td>
<td>95.8</td>
<td>106</td>
<td>Multiple (24)</td>
</tr>
<tr>
<td>1.04 Reliability of police services 1-7 (ave)</td>
<td>4.4</td>
<td>56.3</td>
<td>72</td>
<td>Finland</td>
</tr>
<tr>
<td>1.05 Social capital 0-100 (high)</td>
<td>63.0</td>
<td>63.0</td>
<td>10</td>
<td>Australia</td>
</tr>
<tr>
<td>1.06 Budget transparency 0-100 (ave)</td>
<td>53.8</td>
<td>53.0</td>
<td>67</td>
<td>Multiple (2)</td>
</tr>
<tr>
<td>1.07 Judicial independence 1-7 (ave)</td>
<td>4.4</td>
<td>56.6</td>
<td>50</td>
<td>Finland</td>
</tr>
<tr>
<td>1.08 Efficiency of legal framework in challenging regulations 1-7 (ave)</td>
<td>4.0</td>
<td>48.8</td>
<td>97</td>
<td>Finland</td>
</tr>
<tr>
<td>1.09 Freedom of the press 0-100 (ave)</td>
<td>39.7</td>
<td>50.3</td>
<td>100</td>
<td>Norway</td>
</tr>
<tr>
<td>1.10 Quality of government regulation 1-7 (ave)</td>
<td>4.1</td>
<td>52.0</td>
<td>36</td>
<td>Singapore</td>
</tr>
<tr>
<td>1.11 Efficiency of legal framework in settling disputes 1-7 (ave)</td>
<td>4.1</td>
<td>52.0</td>
<td>46</td>
<td>Singapore</td>
</tr>
<tr>
<td>1.12 E-Participation Index 0-1 (ave)</td>
<td>0.62</td>
<td>61.0</td>
<td>88</td>
<td>Multiple (3)</td>
</tr>
<tr>
<td>1.13 Future orientation of government 1-7 (ave)</td>
<td>4.6</td>
<td>60.0</td>
<td>24</td>
<td>Singapore</td>
</tr>
<tr>
<td>1.14 Incidence of corruption 0-100 (ave)</td>
<td>37.0</td>
<td>37.0</td>
<td>80</td>
<td>New Zealand</td>
</tr>
<tr>
<td>1.15 Property rights 1-7 (ave)</td>
<td>4.8</td>
<td>62.8</td>
<td>47</td>
<td>Finland</td>
</tr>
<tr>
<td>1.16 Intellectual property protection 1-7 (ave)</td>
<td>4.6</td>
<td>60.1</td>
<td>44</td>
<td>Finland</td>
</tr>
<tr>
<td>1.17 Quality of land administration 0-2 (ave)</td>
<td>11.3</td>
<td>37.7</td>
<td>95</td>
<td>Singapore</td>
</tr>
<tr>
<td>1.18 Strength of auditing and reporting standards 1-7 (ave)</td>
<td>4.7</td>
<td>62.8</td>
<td>62</td>
<td>Finland</td>
</tr>
<tr>
<td>1.19 Conflict of interest regulation 0-10 (ave)</td>
<td>5.7</td>
<td>57.0</td>
<td>65</td>
<td>Multiple (2)</td>
</tr>
<tr>
<td>1.20 Shareholder governance 0-10 (ave)</td>
<td>7.0</td>
<td>70.0</td>
<td>24</td>
<td>Kazakhstan</td>
</tr>
<tr>
<td><strong>Pillar 2: Infrastructure</strong> 0-100 (ave), 0-100 (high)</td>
<td>-</td>
<td>68.8</td>
<td>71</td>
<td>Singapore</td>
</tr>
<tr>
<td>2.01 Road connectivity score 0-100 (ave)</td>
<td>34.6</td>
<td>34.6</td>
<td>120</td>
<td>United States</td>
</tr>
<tr>
<td>2.02 Quality of roads 1-7 (ave)</td>
<td>3.9</td>
<td>48.1</td>
<td>75</td>
<td>Singapore</td>
</tr>
<tr>
<td>2.03 Railroad density km of road per 100kin</td>
<td>2.5</td>
<td>6.1</td>
<td>82</td>
<td>Multiple (26)</td>
</tr>
<tr>
<td>2.04 Efficiency of train services 1-7 (ave)</td>
<td>4.7</td>
<td>61.4</td>
<td>19</td>
<td>Switzerland</td>
</tr>
<tr>
<td>2.05 Airport connectivity score 0-200 (ave)</td>
<td>972,350.6</td>
<td>100.0</td>
<td>5</td>
<td>Multiple (8)</td>
</tr>
<tr>
<td>2.06 Efficiency of air transport services 1-7 (ave)</td>
<td>5.0</td>
<td>68.7</td>
<td>49</td>
<td>Singapore</td>
</tr>
<tr>
<td>2.07 Land Hawks Connectivity Index 0-100 (ave)</td>
<td>40.9</td>
<td>40.8</td>
<td>41</td>
<td>Multiple (4)</td>
</tr>
<tr>
<td>2.08 Efficiency of seaport services 1-7 (ave)</td>
<td>4.2</td>
<td>54.1</td>
<td>61</td>
<td>Singapore</td>
</tr>
<tr>
<td>2.09 Electrification rate % pop.</td>
<td>91.2</td>
<td>91.2</td>
<td>98</td>
<td>Multiple (66)</td>
</tr>
<tr>
<td>2.10 Electric power transmission and distribution losses % input</td>
<td>9.4</td>
<td>94.3</td>
<td>56</td>
<td>Multiple (9)</td>
</tr>
<tr>
<td>2.11 Exposure to unsafe drinking water % pop.</td>
<td>19.2</td>
<td>82.5</td>
<td>92</td>
<td>Multiple (23)</td>
</tr>
<tr>
<td>2.12 Reliability of water supply 1-7 (ave)</td>
<td>4.9</td>
<td>60.7</td>
<td>75</td>
<td>Switzerland</td>
</tr>
<tr>
<td><strong>Pillar 3: ICT adoption</strong> 0-100 (ave), 0-100 (high)</td>
<td>-</td>
<td>61.1</td>
<td>94</td>
<td>Korea, Rep.</td>
</tr>
<tr>
<td>3.01 Mobile-cellular telephone subscriptions /100 pop.</td>
<td>178.8</td>
<td>100.0</td>
<td>6</td>
<td>Multiple (66)</td>
</tr>
<tr>
<td>3.02 Mobile-broadband subscriptions /100 pop.</td>
<td>95.7</td>
<td>69.8</td>
<td>30</td>
<td>United Arab Emirates</td>
</tr>
<tr>
<td>3.03 Fixed-broadband Internet subscriptions /100 pop.</td>
<td>2.3</td>
<td>4.6</td>
<td>104</td>
<td>Switzerland</td>
</tr>
<tr>
<td>3.04 Internet subscriptions /100 pop.</td>
<td>1.3</td>
<td>6.0</td>
<td>51</td>
<td>Korea, Rep.</td>
</tr>
<tr>
<td>3.05 Internet users % pop.</td>
<td>25.5</td>
<td>25.5</td>
<td>110</td>
<td>Iceland</td>
</tr>
<tr>
<td><strong>Pillar 4: Macroeconomic stability</strong> 0-100 (ave)</td>
<td>-</td>
<td>89.7</td>
<td>51</td>
<td>Multiple (31)</td>
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<tr>
<td>4.01 Inflation annual % change</td>
<td>3.7</td>
<td>100.0</td>
<td>1</td>
<td>Multiple (74)</td>
</tr>
<tr>
<td>4.02 GDP dynamics 0-100 (ave)</td>
<td>79.5</td>
<td>79.9</td>
<td>65</td>
<td>Multiple (26)</td>
</tr>
<tr>
<td><strong>Pillar 5: Health</strong> 0-100 (ave), 0-100 (high)</td>
<td>-</td>
<td>71.7</td>
<td>95</td>
<td>Multiple (4)</td>
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<tr>
<td>5.01 Healthy life expectancy years</td>
<td>52.9</td>
<td>71.7</td>
<td>54</td>
<td>Multiple (4)</td>
</tr>
<tr>
<td>5.02 Life expectancy at birth average years</td>
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<td>64.1</td>
<td>62</td>
<td>Finland</td>
</tr>
<tr>
<td>5.03 Mean years of schooling</td>
<td>7.9</td>
<td>52.8</td>
<td>94</td>
<td>Finland</td>
</tr>
<tr>
<td>5.04 Extent of staff training 1-7 (ave)</td>
<td>4.7</td>
<td>61.8</td>
<td>29</td>
<td>Switzerland</td>
</tr>
<tr>
<td>5.05 Quality of vocational training 1-7 (ave)</td>
<td>4.6</td>
<td>60.0</td>
<td>34</td>
<td>Switzerland</td>
</tr>
<tr>
<td>5.06 Skilled of graduates 1-7 (ave)</td>
<td>4.7</td>
<td>61.4</td>
<td>32</td>
<td>Switzerland</td>
</tr>
<tr>
<td>5.07 Digital skills among population 1-7 (ave)</td>
<td>4.7</td>
<td>62.2</td>
<td>50</td>
<td>Sweden</td>
</tr>
<tr>
<td>5.08 Degree of finding skilled employers 1-7 (ave)</td>
<td>4.7</td>
<td>61.1</td>
<td>35</td>
<td>United States</td>
</tr>
<tr>
<td>5.09 School life expectancy years</td>
<td>12.8</td>
<td>71.2</td>
<td>85</td>
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</tr>
<tr>
<td>5.10 Critical thinking in teaching 1-7 (ave)</td>
<td>4.2</td>
<td>52.8</td>
<td>29</td>
<td>United States</td>
</tr>
<tr>
<td>5.11 Gross enrolment ratio in primary education (%)</td>
<td>14.0</td>
<td>90.1</td>
<td>40</td>
<td>Multiple (6)</td>
</tr>
<tr>
<td>Index Component</td>
<td>Value</td>
<td>Score</td>
<td>Rank/FDI</td>
<td>Best Performer</td>
</tr>
<tr>
<td>-----------------</td>
<td>-------</td>
<td>-------</td>
<td>----------</td>
<td>----------------</td>
</tr>
<tr>
<td>287</td>
<td>-</td>
<td>98.3</td>
<td>51</td>
<td>Singapore</td>
</tr>
<tr>
<td>3.01 Distinctive effect of taxes and subsidies on competition: 1-7 (best)</td>
<td>4.3</td>
<td>55.9</td>
<td>34</td>
<td>Singapore</td>
</tr>
<tr>
<td>3.02 Extent of market dominance: 1-7 (best)</td>
<td>4.1</td>
<td>52.5</td>
<td>39</td>
<td>Switzerland</td>
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<tr>
<td>3.03 Competition in services: 1-7 (best)</td>
<td>5.2</td>
<td>70.5</td>
<td>42</td>
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</tr>
<tr>
<td>3.04 Prevalence of non-tariff barriers: 1-7 (best)</td>
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<td>55.9</td>
<td>73</td>
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<tr>
<td>3.05 Trade tariffs: %</td>
<td>6.01</td>
<td>60.6</td>
<td>77</td>
<td>Hong Kong SAR</td>
</tr>
<tr>
<td>3.06 Complexity of tariffs: 1-7 (best)</td>
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<td>77.9</td>
<td>70</td>
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</tr>
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<td>41.8</td>
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<tr>
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<td>51.7</td>
<td>89</td>
<td>Ecuador</td>
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<td>-</td>
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<td>82</td>
<td>United States</td>
</tr>
<tr>
<td>4.02 Unemployment rate: %</td>
<td>5.6</td>
<td>13.4</td>
<td>Multiple (5)</td>
<td></td>
</tr>
<tr>
<td>4.03 Unemployment rate: %</td>
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<td>59.1</td>
<td>19</td>
<td>Hong Kong SAR</td>
</tr>
<tr>
<td>4.04 Inflation rate: %</td>
<td>4.6</td>
<td>60.1</td>
<td>50</td>
<td>Switzerland</td>
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<td>4.05 Flexibility of wage determination: 1-7 (best)</td>
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<td>64.7</td>
<td>71</td>
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<tr>
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<td>51.6</td>
<td>59</td>
<td>Switzerland</td>
</tr>
<tr>
<td>4.07 Women in government: %</td>
<td>50.8</td>
<td>60.2</td>
<td>101</td>
<td>Multiple (4)</td>
</tr>
<tr>
<td>4.08 Women in government: %</td>
<td>4.2</td>
<td>53.2</td>
<td>59</td>
<td>Afghanistan</td>
</tr>
<tr>
<td>4.09 Internal Labour mobility: 1-7 (best)</td>
<td>4.8</td>
<td>64.5</td>
<td>31</td>
<td>Guinea</td>
</tr>
<tr>
<td>4.10 Women in executive positions: %</td>
<td>4.6</td>
<td>60.7</td>
<td>42</td>
<td>Finland</td>
</tr>
<tr>
<td>4.11 Female participation in labour force: %</td>
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<td>62.6</td>
<td>18</td>
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</tr>
<tr>
<td>4.12 Labour tax rate: %</td>
<td>5.0</td>
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<td>97</td>
<td>Multiple (4)</td>
</tr>
<tr>
<td>4.13 Labour tax rate: %</td>
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</tr>
<tr>
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<td>-</td>
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<td>52</td>
<td>United States</td>
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<td>59.3</td>
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<td>64.5</td>
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<td>100.0</td>
<td>67</td>
<td>Multiple (97)</td>
</tr>
<tr>
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<td>100.0</td>
<td>23</td>
<td>Multiple (72)</td>
</tr>
<tr>
<td>6.01 Market size: 0-100 (best)</td>
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<td>8</td>
<td>China</td>
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<tr>
<td>6.02 Market size: 0-100 (best)</td>
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<td>9.8</td>
<td>7</td>
<td>China</td>
</tr>
<tr>
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<tr>
<td>6.05 Market size: 0-100 (best)</td>
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<td>Multiple (5)</td>
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<tr>
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<tr>
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<td>64.2</td>
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<td>Israel</td>
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<td>6.12 Market size: 0-100 (best)</td>
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</tr>
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<td>7.01 Innovation capability: 0-100 (best)</td>
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<td>Germany</td>
</tr>
<tr>
<td>7.02 Innovation capability: 0-100 (best)</td>
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<td>64.2</td>
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<td>Canada</td>
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<tr>
<td>7.03 Innovation capability: 0-100 (best)</td>
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</tr>
<tr>
<td>7.04 Innovation capability: 0-100 (best)</td>
<td>0.04</td>
<td>1.2</td>
<td>97</td>
<td>Multiple (7)</td>
</tr>
<tr>
<td>7.05 Innovation capability: 0-100 (best)</td>
<td>4.6</td>
<td>60.2</td>
<td>25</td>
<td>United States</td>
</tr>
<tr>
<td>7.06 Innovation capability: 0-100 (best)</td>
<td>102.0</td>
<td>77.2</td>
<td>58</td>
<td>Multiple (7)</td>
</tr>
<tr>
<td>7.07 Innovation capability: 0-100 (best)</td>
<td>0.01</td>
<td>1.5</td>
<td>99</td>
<td>Multiple (8)</td>
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<tr>
<td>7.08 Innovation capability: 0-100 (best)</td>
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<td>2.8</td>
<td>112</td>
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</tr>
<tr>
<td>7.09 Innovation capability: 0-100 (best)</td>
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<td>4.2</td>
<td>53</td>
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<tr>
<td>7.10 Innovation capability: 0-100 (best)</td>
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<td>45.2</td>
<td>49</td>
<td>United States</td>
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<tr>
<td>7.11 Innovation capability: 0-100 (best)</td>
<td>155.2</td>
<td>55.1</td>
<td>97</td>
<td>Multiple (7)</td>
</tr>
</tbody>
</table>

*Scores are on a 0 to 100 scale, where 100 represents the optimal situation or frontier. Arrows indicate the direction of the change in score from the previous edition, if available.

Note: For detailed methodology, definitions, sources, and periods, visit http://ipo.worldbank.org/
Appendix B. Literature Search

The first step taken to review the relevant literature was selecting the source of information. Starting the literature search through electronic databases is considered as an efficient way, since all reputable journals and most articles are available online. Hence, this review utilised electronic databases, namely, Scopus and ABI/INFORM Complete (Proquest), and also found some other papers on the University of Hull library’s document finder which derive from some databases, namely, JSTOR, Sage, Science Direct, and Wiley.

Scopus was chosen because the claim that it has delivered a comprehensive overview of the world’s scientific research output across all disciplines. It compiles about 24,600 active serial titles and 194,600 books from around 5,000 publishers. As their derivative, Scopus provides 75 million items and there are 1.4 billion cited references dating back to 1970 (Scopus, 2019). While ABI/INFORM was chosen as it contains a wide variety of business information, from scholarly journals and dissertations, to company, industry, and market focused trade news. There are over 30,000 business-related dissertations and over 10,000 business cases and case studies in full text (Proquest, 2016).

Through ABI/Inform or Proquest, the second step was defining and delimiting the search terms. In this phase, it is important to set specific parameters by preparing several keywords as boundaries for the search, to maintain the relevance of the generated literature. The keywords used in this research were the phrases “institutional entrepreneurship”, “creative industry” and “emerging market”. The searching process utilized Boolean logic in order to build a search string of synonyms and connected concepts. A search string might look like: (institutional entrepreneurship OR institutional entrepreneur) AND (creative industries OR creative industry) AND
These phrases were searched in ‘Anywhere’ from the title, abstract to the full text of the paper. The search was limited to papers posted in the full text and peer-reviewed papers. A limitation was applied to the paper’s publication time as well. The UK DCMS published the second Creative Industries Mapping Document in 2001 and after that the term creative industries was widespread in emerging markets. Hence, the search period of the papers’ publication date was from 1 January 2001 until 14 March 2016, when the preliminary review was started.

Applying selection criteria was the next step. Filters or criteria have the same function as keywords. They keep the focus of the search for the relevant papers. The first filter was language. English was chosen as the only language for the papers searched. Location of the study as the second filter was limited to emerging markets, such as all countries in Asia except Japan, all countries in Africa, all countries in Latin America and all countries in Eastern Europe. The last filter was the subject, which was limited to entrepreneurship OR entrepreneurs OR developing countries--ldcs OR emerging markets OR small & medium sized enterprises-smes OR culture OR small business. There were 205 papers generated after applying these three filters.

The next step of the review was manually screening the titles and abstracts of the retrieved papers. The screening process searched for the most relevant to the topic and resulted in twenty-one papers. These selected papers at least contain ‘institution’ and ‘entrepreneur’ or its extension in the paper’s title or abstract, or even content if needed. Together with these twenty-one papers, Tracey & Philips’s (2011) paper was examined as well, since they analysed institutional entrepreneurship in emerging markets. The details of these papers, namely, the (first) author, publication year,
country where the topic discussed, field analysed, and institutional aspect analysed can be seen in Table B.1 below.

<table>
<thead>
<tr>
<th>No</th>
<th>Author(s)</th>
<th>Country</th>
<th>Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gibb (2006)</td>
<td>China</td>
<td>Micro, Small, and Medium Enterprises (MSMEs)</td>
</tr>
<tr>
<td>2</td>
<td>Kalantaridis et al. (2007)</td>
<td>Russia, Ukraine</td>
<td>Rural entrepreneurs</td>
</tr>
<tr>
<td>3</td>
<td>Kshetri (2007)</td>
<td>China</td>
<td>State level</td>
</tr>
<tr>
<td>4</td>
<td>Roxas et al. (2007)</td>
<td>Asia Pacific</td>
<td>Micro, Small, and Medium Enterprises (MSMEs)</td>
</tr>
<tr>
<td>5</td>
<td>Roxas et al. (2008)</td>
<td>Asia</td>
<td>Micro, Small, and Medium Enterprises (MSMEs)</td>
</tr>
<tr>
<td>6</td>
<td>Miller et al. (2009)</td>
<td>South Korea</td>
<td>High-technology</td>
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<tr>
<td>7</td>
<td>Mair and Marti (2009)</td>
<td>Bangladesh</td>
<td>Finance</td>
</tr>
<tr>
<td>8</td>
<td>Tracey and Phillips (2011)</td>
<td>China, Brazil, Russia, India, Bangladesh</td>
<td>Multi fields</td>
</tr>
<tr>
<td>9</td>
<td>Liu (2011)</td>
<td>China</td>
<td>Information and Communication Technology (ICT)</td>
</tr>
<tr>
<td>10</td>
<td>Jurse and Lejko (2012)</td>
<td>Slovenia</td>
<td>SMEs</td>
</tr>
<tr>
<td>11</td>
<td>Arasti et al. (2012)</td>
<td>Iran</td>
<td>Information Technology</td>
</tr>
<tr>
<td>12</td>
<td>Brundin and Wigren-Kristoferson (2013)</td>
<td>South Africa</td>
<td>Wine industry</td>
</tr>
<tr>
<td>13</td>
<td>Yu and Dong (2013)</td>
<td>China</td>
<td>e-commerce</td>
</tr>
<tr>
<td>14</td>
<td>Wahid and Sein (2013)</td>
<td>Indonesia</td>
<td>Governmental</td>
</tr>
<tr>
<td>15</td>
<td>Ntayi et al. (2013)</td>
<td>Uganda</td>
<td>SMEs</td>
</tr>
<tr>
<td>16</td>
<td>Ntayi et al. (2014)</td>
<td>Uganda</td>
<td>SMEs</td>
</tr>
<tr>
<td>17</td>
<td>Cao et al. (2014)</td>
<td>China</td>
<td>Solar energy industry</td>
</tr>
<tr>
<td>18</td>
<td>Almeida et al. (2014)</td>
<td>Brazil</td>
<td>Food industry</td>
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</tbody>
</table>
The advanced stage of this review utilised Scopus. Through scopus.com on 23 August 2019, the ‘documents’ menu was chosen. To search the relevant literature, the author inserted “institutional entrepreneur*” to be searched in article title, abstract, and keywords. All types of document were searched in this review. After continuing the searching by limiting the documents which are published in 2001 to 2019 and have the open access feature, there were 62 documents found. A manual screening by reading each abstracts of these documents resulted sixteen documents for further analysis. All these sixteen documents can be seen in table B.2 below and they are listed in chronological order based on papers’ publication year.

Table B.2
Details of the Papers Reviewed from Scopus

<table>
<thead>
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<th>Author(s)</th>
<th>Country</th>
<th>Field</th>
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<tbody>
<tr>
<td>1</td>
<td>(Westenholz, 2006)</td>
<td>Denmark</td>
<td>Software</td>
</tr>
<tr>
<td>2</td>
<td>(Zilber, 2007)</td>
<td>Israel</td>
<td>High-tech (including software)</td>
</tr>
<tr>
<td>3</td>
<td>(Carney et al., 2009)</td>
<td>Asia</td>
<td>Company strategy</td>
</tr>
<tr>
<td>4</td>
<td>(Scaraboto &amp; Fischer, 2013)</td>
<td>N/A</td>
<td>Fashion</td>
</tr>
<tr>
<td>5</td>
<td>(von Heland et al., 2014)</td>
<td>Indonesia</td>
<td>Marine</td>
</tr>
<tr>
<td>6</td>
<td>(Ojha &amp; Rao, 2014)</td>
<td>N/A</td>
<td>Software industry</td>
</tr>
<tr>
<td>7</td>
<td>(Jolly et al., 2016)</td>
<td>Finland and India</td>
<td>Energy</td>
</tr>
<tr>
<td></td>
<td>Reference</td>
<td>Location</td>
<td>Focus</td>
</tr>
<tr>
<td>---</td>
<td>----------------------------------</td>
<td>---------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>8</td>
<td>(Adjei-Nsiah &amp; Klerkx, 2016)</td>
<td>Ghana</td>
<td>Palm oil</td>
</tr>
<tr>
<td>9</td>
<td>(Bakir &amp; Jarvis, 2017)</td>
<td>Turkey and Australia</td>
<td>government</td>
</tr>
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<td>10</td>
<td>(Yağcı, 2017)</td>
<td>Turkey</td>
<td>Financial policy</td>
</tr>
<tr>
<td>11</td>
<td>(Wahid, 2017)</td>
<td>Indonesia</td>
<td>Government</td>
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<td>12</td>
<td>(Olthaar et al., 2017)</td>
<td>Ethiopia</td>
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<tr>
<td>13</td>
<td>(Järnberg et al., 2018)</td>
<td>Ethiopia</td>
<td>agriculture</td>
</tr>
<tr>
<td>14</td>
<td>(van Oosten et al., 2018)</td>
<td>Rwanda</td>
<td>landscape governance</td>
</tr>
<tr>
<td>15</td>
<td>(Morisson &amp; Doussineau, 2019)</td>
<td>Netherlands, Spain, Colombia</td>
<td>Innovation policy</td>
</tr>
<tr>
<td>16</td>
<td>(Onsongo, 2019)</td>
<td>Kenya</td>
<td>Micro finance</td>
</tr>
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</table>
Appendix C. Data Gathering Preparations and Gaining Access

One of the first steps required was to complete the research ethics documents. This is a standard document required to be completed in advance of a research’s fieldwork. The main content of the document is the confirmation of human participants’ involvement, which impacts the ethical considerations. In this document, the researcher confirmed the human involvement in this study and assured compliance with ethical principles in conducting the study. This document was validated by the first supervisor on 16 September 2016 before being sent to the Research Ethics Committee. The name of the document is ‘A Proforma for Staff and Students Beginning a Research Project’ and a copy of this document’s filled form is presented in Appendix D. The document was accompanied by a summary of the research, a copy of the information letter requesting consent to the research’s participants (the format of this letter can be found in Appendix E), a consent form format (a copy of this form can be found in Appendix F), and a copy of the interview guide (this can be found in Appendix G). The research ethics application was approved by the Hull University Business School Research Ethics Committee and a reply was received by email on 21 September 2016.

It was then necessary to complete a Personal Travel Plan and Risk Assessment documents. The first of these contained general data and emergency contact details, answers to five Yes/No questions regarding other issues during the field work such as immunisation and visa, and a brief itinerary of the trip. Since Indonesia was categorised as a category two in country risk classification and this was stated in the Personal Travel Plan, it was necessary for a Risk Assessment document to be submitted as well. Security, climate/environmental, and health issues were described in this document as a self-risk assessment. The precautions to be taken to avoid or
mitigate the identified risks was included, to ensure the researcher’s safety/welfare during the fieldwork trip. These two documents were submitted after being validated by the first supervisor on 16 September 2016. As a response to these documents’ submission, approval from the Director of Health and Safety - University of Hull was gained through an email on 5 October 2016.

After the approval of the research ethics, travel plan, and risk assessment was given, request consent letters were submitted to the prospective participants. The process of contacting prospective participants had begun even before the approval of the fieldwork documents, starting on 26 July 2016. Although there were 24 potentials participants, including members of four creative fashion companies, only one key person was contacted in each company, so 14 persons in total were contacted. Of the 14 persons, the researcher contacted four persons through WhatsApp, three persons through email, three persons through WhatsApp and email together, and one each through Path Talk (the messenger feature in the Path social media application), Instagram message, Facebook messenger, and email together with Facebook messenger. Although there were five different types of contact, WhatsApp and email were the only media used to follow-up these persons regarding the place and time of the interviews. When the research ethics document was approved on 21 September 2016, official letters to request consent were sent to the participants. The consent request letters officially invited them to participate in this study, provided information about this study and informed them of the implications of their involvement in this study if they agreed to participate. The format of this letter can be found in Appendix E.

A consent form was prepared as one of the attachments when research approval was sought. Together with the letter of request consent, the consent form submitted to the
Research Ethics Committee was prepared in two language, Indonesian and English. They were written in Indonesian language since the interviews were conducted with Indonesian citizen using the Indonesian language, but they were translated into English for the approval purpose. In the fieldwork, the consent form was given by the researcher to each of participants before every interview began. By signing this form, the participants gave their approval to be interviewed by the researcher and acknowledged that the information gathered would be used for the academic purpose only. They also declared their understanding that their identity would remain anonymous. A copy of this form can be found in Appendix F.

Besides the personal travel plan and the risk assessment form, a research leave letter was also submitted to the university. This letter contained the absence start and end dates, duration of absence, location of research, contact details, travel plan and its schedule, and supervisory meeting plan. After being signed by the first supervisor, this letter was sent to the Visa Compliance Team, University of Hull for the immigration purpose, since the researcher is categorised as a Tier 4 student. This document was sent on 16 September 2016.

Travel documents preparation also had to be prepared. The validity of the passport to be used in the fieldwork trip was checked by the researcher. A visa was not needed, since the researcher was travelling to his home country. A return flight ticket was also obtained.

Careful consideration was given to recording device selection, since it would influence the result of the data gathering process. After reading several reviews, asking for recommendations from the first supervisor and suggestions from the University IT staff, a digital voice recorder was selected. The most impressive feature of this device
was its noise reduction ability, which ensured the voices recorded remained clear to be heard.

The last step in preparations was scheduling appointments for the interviews. Since the participants involved in this study were predicted to be more than 30 people, it was very important to set a precise interview schedule. After making a list of participants, it was identified which participants had a tight schedule, and which were more flexible. The ones with a tight schedule were asked about their available time and asked to give their confirmation first. These appointments were entered into the research time schedule, after which, unallocated times were arranged with the other participants.
Appendix D. A Proforma For Staff and Students Beginning A Research Project

Appendix A

A PROFORMA FOR
STAFF AND STUDENTS BEGINNING A RESEARCH PROJECT

This proforma should be completed by all staff and research students undertaking any research project and by taught students undertaking a research project as part of a taught module.

Part A (compulsory)
Research Proponent(s) : Jorry Hatammimi
Student number (if applicable) : 201509178
University of Hull email address : j.hatammimi@2015.hull.ac.uk
Programme of Study : PhD Management

Research (Working Dissertation/Thesis) Title:

Research (brief):
The creative industries actors in emerging markets experience a high level of uncertainty in conditions of weak institutions. Thus, in addition to dealing with the commercial aspects, they need to shape/create institutions. Engaging in this process makes creative industries actors as institutional entrepreneurs. Albeit institutional entrepreneurship in emerging markets is much discussed today, very few studies analyse institutional entrepreneurship in creative industries particularly fashion sector. There are also few fashion industry management studies in Indonesia as emerging market, moreover regarding its institutionalization. Recently, research in fashion industry was dominated by survey methodology and consumer behaviour as majority research topic. By spotlighting creative fashion industry in an Indonesian city, Bandung, as one of the UNESCO's creative cities network, this study will develop an understanding of the roles of quadruple helix entities, strategies taken by fashion entrepreneurs to deal with the under-developed institutional environment and the institutions which are shaped by the institutional entrepreneurs. This exploratory research relies on multiple case studies by conducting in-depth interviews and documentary analysis. The explanatory framework of institutional entrepreneurs strategies in creative industry in Indonesia developed by this research will advance institutional entrepreneurship areas.

Proforma Completion Date: 14 September 2016

Tick and sign by one of the following statements:

☐ 1) I confirm that human participants are not involved in my research and in addition no other ethical considerations are envisaged.
Signature of researcher: .................................................................

☐ 2) Human participants are involved in my research and/or there are other ethical considerations in my research.
Signature of researcher: .................................................................

If statement 1 is ticked and signed, there is no need to proceed further with this proforma, and research may proceed now.

If statement 2 is ticked and signed the researcher should complete part B of this proforma.

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This proforma should be read in conjunction with the Ethical Principles for Researchers and the HUBS flow chart of research ethics procedures. It should be completed by the researchers. It should be sent on completion, together with a brief (maximum one page) summary of the issues/problems in the research (and how they are proposed to be dealt with), for approval to the Chair of the HUBS Research Ethics Committee or nominated Committee member or in the case of research being completed as part of a taught module to the student's supervisor or module leader prior to the beginning of any research.

NOTE

If this research has a research population of those under 18 years of age it requires specific authorisation, including that from authorities outside the University. It should not proceed until such authorisation has been obtained in writing.

1. Will you obtain written informed consent from the participants? Y/N
   If yes, please include a copy of the information letter requesting consent. In the case of electronic surveys it is acceptable to advise participants that completion of the survey constitutes consent. Please provide a printout of the survey template.
   If no, the research should not proceed unless you can specifically satisfy the Research Ethics Committee with the measures you will take to deal with this matter.

2. Has there been any withholding of disclosure of information regarding the research/teaching to the participants? Y/N
   If yes, please describe the measures you have taken to deal with this.

3. Issues for participants. Please answer the following and state how you will manage perceived risks if any answer is YES:
   a) Do any aspects of the study pose a possible risk to participants' physical well-being (e.g. use of substances such as alcohol or extreme situations such as sleep deprivation)? YES NO
   b) Are there any aspects of the study that participants might find humiliating, embarrassing, ego-threatening, in conflict with their values, or be otherwise emotionally upsetting? YES NO
   c) Are there any aspects of the study that might threaten participants' privacy (e.g. questions of a very personal nature; observation of individuals in situations which are not obviously 'public')? YES NO
   d) Does the study require access to confidential sources of information (e.g. medical records)? YES NO
   e) Could the intended participants for the study be expected to be more than usually emotionally vulnerable (e.g. medical patients, bereaved individuals)? YES NO
   f) Will the study take place in a setting other than the University campus or residential buildings? YES NO
      Yes, in Bandung's universities, fashion companies' offices, Bandung government office, and communities' offices
   g) Will the intended participants of the study be individuals who are not members of the University community? YES NO
      Yes, fashion entrepreneurs, academics, local government in Bandung, and communities' representatives.
*Note: if the intended participants are of a different social, racial, cultural, age or sex group to the researcher(s) and there is any doubt about the possible impact of the planned procedures, then opinion should be sought from members of the relevant group.

4. Might conducting the study expose the researcher to any risks (e.g. collecting data in potentially dangerous environments)? Explain your method of dealing with this.  

YES  NO

5. Is the research being conducted on a group culturally different from the researcher/student/supervisors?  

If yes, are sensitivities and problems likely to arise?  
If yes, please describe how you have addressed/will address them.

Y/N

6. Does the research conflict with any of the HUBS’s research ethics principles?  
If YES do not proceed Describe for the Research Ethics Committee what action you have taken to address this?

Y/N

7a. Does the research require the consent of any other organisation?  
(for example, Health sector ethical committees)

Y/N

7b. If YES, have you obtained the consent, please give details?  

If you have been unable to obtain this consent, please describe for the Research Ethics Committee what action you have taken to overcome this problem.

8a. Did you discuss any ethical issues and challenges of this research with a colleague or your personal supervisor?  
Please name the colleague or supervisor and the date of discussion.

Dr. Marianne Afanassieva

8b. What are the ethical issues and challenges with this research? (Please give brief details)  

- To secure the data confidentiality, the participants will be anonymous  
- The concern for the data storage security  
- There is a possibility that one participant will ask about other participants’ interview.

Thank you for completing this proforma. If you are a research student/member of staff this form must be signed by you, your supervisor/colleague and the HUBS Research Ethics Committee representative for your area.

In the case of students undertaking research as part of a taught module, it must be signed by you and your supervisor or module leader.

Once signed, staff and research students should send copies of this form, and the proposal must be sent to the Secretary of the Research Ethics Committee, Hull University Business School (see flow chart), including where possible examples of letters describing the purposes and implications of the research, and any Consent Forms (see appendices).

Name of Researcher/Student: Jurry Hatammimi  
Signature ........................................... Date 14 September 2016

Name of Supervisor: Dr. Marianne Afanassieva  
Signature ........................................... Date 16/09/2016

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For proforma completed by staff and research students only:

**Name of Research Ethics Committee member** ........................................

Signature .................................. Date ........................................

For proformas relating to research funded by grants, please complete the following:

pFact no: ........................................

RAR no: ........................................

Funder/sponsor........................................
Appendix E. Request Consent Letter

English version:

Hull University
Business School
The University of Hull
Hull HU6 7RX
United Kingdom

Date:

Dear.................................,

With this letter I would like to invite you to participate in a research I am conducting at Hull University Business School. I would like to provide you with more information about this project and what your involvement would entail if you decide to participate.

The aim of this project is to develop a framework of creative entrepreneurs’ strategies in managing institutions in Indonesia entitled "Institutional Entrepreneurship in Creative Industry in an Emerging Market: A Study of Fashion Sector in Bandung, Indonesia". We believe that because you are involved in the creative industry development in Bandung, you are suitable to speak to the various issues related to this industry particularly its institutionalization.

Participation in this study is voluntary. It will involve an interview of approximately 1.5 hours in length to take place in a mutually agreed upon location. You may decline to answer any of the interview questions if you wish so. Furthermore, you may decide to withdraw from this study at any time without any consequences by confirming the researcher. With your permission, the interview will be audio recorded to facilitate collection of information, and later transcribed for analysis. Shortly after the interview has been completed, I will send you a copy of the transcript to give you an opportunity to confirm the accuracy of our conversation and to add or clarify any points that you wish. All information you provide is considered strictly confidential. Your name and your organisation’s name will not appear in any report resulting from this study. However, with your permission anonymous quotations may be used. Data collected during this study will be retained securely at the University of Hull.

Should you have any concerns about the conduct of this research project, please contact the Secretary, HUBS Research Ethics Committee, University of Hull, Cottingham Road, Hull, HU6 7RX; Tel No (+44) (0)1482 463536. I hope that the results of this study will be of benefit to the organisations directly involved in the study, other organizations not directly involved in the study, as well as to the broader research community.

I very much look forward to speaking with you and thank you in advance for your assistance in this project.

Yours Sincerely,

Jurry Hatammimi
Email: j.hatammimi@2015.hull.ac.uk
PhD Management Program Student at Hull University Business School, UK

Supervisor:
Dr Marianne Afanassieva
Email: m.afanassieva@hull.ac.uk
Tanggal: ………………….

Kepada Yth ……………………….,

Bersama ini saya mengundang untuk berpartisipasi dalam riset yang sedang saya lakukan di Hull University Business School. Saya ingin memberikan informasi lebih lanjut tentang proyek ini dan apa keterlibatan Bapak/Ibu jika memutuskan untuk berpartisipasi.


Jika Bapak/Ibu memiliki masalah tentang pelaksanaan proyek riset ini, silakan menghubungi: The Secretary, HUBS Research Ethics Committee, University of Hull, Cottingham Road, Hull, HU6 7RX; Telephone (+44) (0)1482 463536. Saya berharap bahwa hasil riset ini akan bermanfaat bagi organisasi yang terlibat langsung, organisasi lainnya yang tidak terlibat langsung, serta untuk komunitas riset yang lebih luas.

Saya sangat berharap untuk dapat mewawancarai Bapak/Ibu. Terima kasih banyak sebelumnya atas bantuan yang diberikan.

Hormat saya,

Jurry Hatammimi
Email: j.hatammimi@2015.hull.ac.uk
Mahasiswa Program PhD Management, Hull University Business School, UK

Supervisor:
Dr Marianne Afanassieva
Email: m.afanassieva@hull.ac.uk
Appendix F. Consent Form

RESEARCH ETHICS COMMITTEE
CONSENT FORM: INTERVIEW

I, .................................................. of ............................................................... ..........................................................

Hereby agree to participate in this study to be undertaken by Jurry Hatammimi

and I understand that the purposes of the research are:

1. To explore the roles of quadruple helix entities to cope with institutional environment of Bandung’s creative fashion industry
2. To investigate the strategies taken by the creative fashion entrepreneurs in dealing with the under-developed Indonesian institutional environment
3. To identify the institutions shaped by institutional entrepreneurs in Bandung’s creative fashion industry

I understand that

1. Upon receipt, my interview will be coded and my name and address kept separately from it.
2. Any information that I provide will not be made public in any form that could reveal my identity to an outside party i.e. that I will remain fully anonymous.
3. Aggregated results will be used for research purposes and may be reported in scientific and academic journals (including online publications).
4. Individual results will not be released to any person except at my request and on my authorisation.
5. That I am free to withdraw my consent at any time during the study in which event my participation in the research study will immediately cease and any information obtained from me will not be used.

Signature: 	 Date:

The contact details of the researcher are : j.hatammimi@2015.hull.ac.uk
The contact details of the Supervisor are : m.afanassieva@hull.ac.uk

In some cases, consent will need to be witnessed e.g. where the subject is blind/ intellectually disabled. A witness must be independent of the project and may only sign a certification to the level of his/her involvement. A suggested format for witness certification is included with the sample consent forms. The form should also record the witnesses’ signature, printed name and occupation. For particularly sensitive or exceptional research, further information can be obtained from the HUBS Research Ethics Committee Secretary, e.g., absence of parental consent, use of pseudonyms, etc)

NOTE:

In the event of a minor’s consent, or person under legal liability, please complete the Research Ethics Committee’s "Form of Consent on Behalf of a Minor or Dependent Person". 
## Appendix G. List of Interview’s Guidance Questions

<table>
<thead>
<tr>
<th>Research Question</th>
<th>References used to help addressing the questions</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What is the institutional environment faced by the fashion industry actors?</td>
<td>Characteristic of emerging markets (Tracey &amp; Phillips, 2011)</td>
<td>What is the institutional environment faced by the fashion industry actors?</td>
</tr>
</tbody>
</table>
a. managing the labour
b. managing the artists
c. managing the copyright
d. managing the resources
e. executing the differentiation strategy
f. managing the design’s trend
g. determining/selecting the product to be launched (profit vs artistic goals)
h. measuring the selection performance
i. managing the sense-making
j. discovering the consumer preferences
k. controlling the quality to generate sales
l. promoting the products
m. managing the sales and distribution
n. industry’s interaction (structure of industry: vertical/horizontal integration/disintegration, multi products vs specialization)  
2. Are there any other entities involved? Who are they and what are their roles?  
3. How do they manage institutional work in creative fashion industry?  
4. What are the stimuli in the field faced by fashion industry actors? |
<table>
<thead>
<tr>
<th></th>
<th>5. What type of institutional strategy in emerging markets do they use?</th>
<th>6. What are the properties had by the institutional entrepreneurs?</th>
<th>7. What is the position of institutional entrepreneurs?</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>What is the nature of institutional work carried out by the institutional entrepreneurs in Bandung’s fashion industry?</td>
<td>Three pillars of institutions (Scott, 2001)</td>
<td>What is the nature of institutional work carried out by the institutional entrepreneurs in Bandung’s fashion industry?</td>
</tr>
</tbody>
</table>
Appendix H. List of Documents Reviewed


4. BANDUNG CREATIVE CITY FORUM. 2011. Review & Foto Kegiatan Talk Show bersama Lewis Biggs @ Simpul Space BCCF – Jumat 28 Oktober 2011 (Review & Photos Talk Show Activity with Lewis Biggs at Simpul Space BCCF - Friday 28 October 2011)

5. BANDUNG CREATIVE CITY FORUM. 2012. About BCCF

6. BANDUNG CREATIVE CITY FORUM. 2012. Foto Kegiatan Sarasehan Komunitas Kreatif Bandung bersama Menteri Pariwisata & Ekonomi Kreatif (Ibu Mari Elka Pangestu) – 11 Februari 2012 (Photos from Creative Communities Gathering with Minister of Tourism and Creative Economy - Mrs. Mari Elka Pangestu, 11 February 2012)

7. BANDUNG CREATIVE CITY FORUM. 2012. LAUNCHING SIMPUL SPACE : Peresmian Ruang Kreatif Komunitas Bandung – Sabtu 25 Februari 2012 (Simpul Space Launching: Bandung’s Communities Creative Space Inauguration - Saturday, 25 February 2012)

8. BRITISH COUNCIL. 2014. HUBS: Bandung Creative City Forum

9. BRITISH COUNCIL. 2014. Indonesian inspirations


11. BRITISH COUNCIL INDONESIA. 2015. Riset Kota Kreatif


13. DETIK. 2008. BCCF Usulkan 10 Program Bandung Kota Kreatif Asia (BCCF Proposes 10 Bandung’s Asia Creative City Program)


15. FAHMI, F. Z. 2014. Promoting the creative economy

16. FITRIYANA, F. & SOFHANI, T. F. 2012. Pengembangan Bandung Kota Kreatif Melalui Kekuatan Kolaboratif Komunitas (Bandung Creative City Development

17. GANI, S. 2017. Menakar "Fashion" Indonesia Menuju 2025 (Measuring Indonesian Fashion Toward 2025)

18. GLOBAL INDONESIAN VOICES. 2015. The Bandung Vision

19. GUSTAFF. 2012. Tantangan Pengembangan Ekonomi Kreatif Indonesia (The Challenge of Indonesian Creative Economy Development)


21. IDRIS, M. 2016. Begini Cara Unik Juragan Clothing Bandung Pasarkan Produknya (These are the Bandung's clothing community unique way to market the products?)


29. TEDX TALKS 2010. TEDx Jakarta - Ridwan Kamil - Creativity and Design for Social Change in Cities.

30. TANZIL, P. 2014. Lessons to learn from Bandung Creative City Forum

31. STATISTICS INDONESIA. 2017. PROFIL USAHA/PERUSAHAAN 16 SUBSEKTOR EKRAF BERDASARKAN SENSUS EKONOMI 2016
36. MINISTRY COORDINATOR FOR THE ECONOMY. 2015. Ekonomi Berbasis Kreativitas dan Inovasi sebagai Kekuatan Baru Ekonomi Indonesia (Creative and Innovation-based Economy as New Power of Indonesian Economy)
37. MINISTRY OF TOURISM AND CREATIVE ECONOMY. 2013. Kota Kreatif: Ujung Tombak Pengembangan Ekonomi Kreatif (Creative City: The Frontliner of Creative Economy Development)
Appendix I. Problems Encountered in Data Gathering

Among the obstacles faced in data gathering were the delay of scheduled interviews, sudden change of the place of interview, long waiting to start the interview, and long waiting to confirm the interview time. In addition, some prospective participants cancelled their interviews. In the initial plan, the prospected participants consist of three companies, three academics, three government officials, and three communities’ representatives. However, five of them declined to be interviewed. The five cancellations were as follows:

1. Company S, a pioneer Muslim fashion company. This company did not reply to the emails sent by the researcher. The first attempt was made through an email account of the company on 26 July 2016. Next, the researcher tried the ‘contact us’ menu in the company’s website and Facebook messenger, one month after the first attempt (13 September 2016). Finally, an email to another company’s email account was sent by the researcher on 13 September 2016 as the last attempt.

2. Company U, a clothing company which produces mass produced products and sells its products through street shops and distribution stores (distros), was contacted by the researcher at the beginning, but then they did not confirm the date for the interview. The researcher sent an email on 26 July 2016 but did not receive any reply. On 13 September 2016, an attempt was made to contact the company through WhatsApp messenger and Facebook messenger. In response, a reply was received through WhatsApp messenger, containing details of another email account, which the researcher contacted. He received a reply email with the suggestion to send a WhatsApp message to another mobile number. The given number was contacted by the researcher on 13 October 2016 to confirm the date of interview. Unfortunately, no reply was received. After trying for two and a half months, it was decided to exclude this company.

3. An academic cancelled his participation due to a sudden out of town university task. Initially, the researcher had contacted this academic through an email and an Academia application message on 27 July 2016. This participant agreed to be interviewed but had not specified the date. Unfortunately, he cancelled the interview through a WhatsApp message on 7 November 2016 but delegated the participation to his colleague (An academic from institute A).

4. A community representative cancelled the interview. This participant was contacted on 26 July 2016 via Facebook, but he did not respond. The man’s mobile number was obtained and then a WhatsApp message was sent to him on 14 October 2016. He
agreed to be interviewed on 14 November 2016. The researcher met him by chance in an event on 9 November 2016 and agreed the interview would be conducted on 10 November 2016. However, the interview did not take place due to the participant’s tight schedule. Fortunately, a replacement was found, a former project manager from the same community (Community B) who had been a member of the community since it was first established.

5. The mayor of Bandung City. The participation of the mayor in this study was cancelled due to unavailability of time to administer the required documents. The researcher sent an email to the mayor’s secretary on 26 July 2016, then a reply email was received on 20 September 2016 that suggested to contact the Agency of National Unity and Public Empowerment. An email was sent to the suggested agency on 22 September 2016 and it was answered on 25 October 2016, when researcher had already arrived in Indonesia. This email contained a request for some documents, including two particular letters that should be sent from the university to the two government offices at the provincial and city levels. Because there was no time for the researcher to obtain the required letter, the mayoral interview was cancelled. Instead, an interview was held with one of the mayor’s subordinates, who had a more field experience regarding the fashion industry in Bandung: the head of the office K. This rearrangement was facilitated by another participant, the head of office E, after she was interviewed on 8 November 2016. She gave the contact number of a member staff in office K. That member was successfully contacted and confirmed that an interview with the head of office K could be conducted on a specified date.